

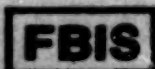
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4 February 1980

West Europe Report

No. 1536



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GEOPOLITICAL ASPECTS OF SOVIET THREAT, STRATEGIC PARITY

Paris LE FIGARO MAGAZINE in French 15 Dec 79 pp 86-87

[Article by Alain de Benoist: "All It Takes Is the Will"]

[Text] In an interview published by COSMOPOLITAN in June 1936, Oswald Spengler said: "Peace will always be a wish, war will always be a fact." War? It is being spoken of again. Seriously. In a whole series of books, whose authors come, more or less, to the same conclusions. Rather gloomy conclusions, which can be stated in a few sentences: The Russians are producing more and more sophisticated weapons, in greater numbers, at an increasingly rapid rate. Strategic parity has now been lost--in their favor. The Western countries have fallen behind. Public opinion in these countries is unaware of the problem. "Peaceful coexistence" is a dream; detente, an illusion. The next 10 years will be "decisive years." War is possible. And the United States, in the grip of a deep moral crisis, can no longer be counted on by the Europeans for protection.

The Torn Umbrella

Some people will say that "the cold war is being rekindled." That is an error in terminology. The "cold war" does not exist any more than "detente" does. There is only one permanent, invariable fact, and that is the real conflict situation in which the East and the West find themselves. Detente is only the continuation of the cold war through different means.

The experts all agree that Soviet military might is extraordinary. The recent books of Jean-Pierre Brule and of Claude Durand-Berger, among others, bear this out. Beginning in 1973, the Kremlin has constantly reinforced its strength, "conventional" as well as nuclear. In 1976, Gen Robert Close, the author of "L'Europe Sans Defense," wrote: "The Soviets can reach the Rhine in 48 hours." Since that date, the tactical air forces of the Warsaw Pact stationed in central Europe have increased by 300 percent in their offensive capacity.

Facing the armies of the Western powers, which are merely the sum of the national forces, placed under various kinds of command, the Kremlin can field 173 divisions, 50,000 tanks, 10,000 planes and helicopters (including 2,600 interceptors and 850 bombers), 243 surface vessels, 360 submarines (90 of which are equipped with missiles), 1,600 intercontinental ballistic missiles, 710 intermediate-range missiles, three quarters of which are aimed at Western Europe. In all, 4.4 million men in uniform. That is, 20 soldiers for every 1,000 inhabitants (9.9 in France). A defense budget of from 11 to 13 percent of the GNP (3.1 percent in France).

Faced with that threat, what can the Europeans do? Right after the last war, the Americans denied them the possibility of putting together an autonomous defense program. Instead, the Americans promised to guarantee their security. Today, it seems clear that the United States will never risk nuclear suicide to save Western Europe. The threat of massive nuclear retaliation is no longer believable. And the unbalance of power makes the idea of a "measured response" (flexible response) more and more doubtful. Globally speaking, Europe, between the "Torn Umbrella" of Washington and the danger of "Finlandization," does not seem in a position to assure its own security.

Yet these figures reveal only the potential aspect of the threat. An aspect to which must be added those, which are just as important, of the ideological and geopolitical context.

The Guiding Star

Colin S. Gray, a member of the Hudson Institute, and former deputy director of the London Institute for Strategic Studies, emphasizes those very aspects. Vigorously denouncing the illusions of Western "liberal optimism," he tells us that international order is impossible without authority to guarantee it. In the face of the American tradition of a "moralizing evangelism," he holds fast to "Machievellian" principles of realism: the essence of politics is force, the essence of international relations is the relationship of forces. The balance of power, he writes, is only theoretical: "The truth is that the United States is solely interested in balances which lean in its favor. The goal is not to achieve balance, but a favorable margin. There is no real security in being merely just as strong as the potential enemy; the only real strength is being stronger than the enemy."

Four "myths," Gray observes, underlie Western quietude. They correspond to four false ideas according to which 1) The USSR can be convinced to develop its relations with the West in the direction of non-conflict (the "convergism" theory); 2) Arms negotiations are of real interest to both sides and therefore can reduce the tension between them (the theory of the "strategic balance of power"); 3) Time is on the side of the West; 4) A war between the West and the USSR would not be in the Soviet interest.

To these four "myths," Gray opposes four realities: 1) East-West relations are necessarily doomed to remain conflictual; 2) Arms negotiations are, for the Soviets, one step in the long-term political struggle (arms reflect political competition and not vice versa); 3) The USSR is in no way moving toward becoming "pluralist" or "liberal" (Western models are unadapted to the historical heritage of Russia as well as to the present reality); 4) Any interest that the USSR might have in a war with the West depends solely on the relationship of forces in which it finds itself.

"Russian policy is unchangeable," said Karl Marx. "Its methods, its tactics, its maneuvers may change, but the guiding star of its policy, the domination of the world, is a fixed star." In Soviet ideology, any nonsocialist country is a potential enemy. War, according to this viewpoint, is an extension of politics through armed violence. And, as Brezhnev himself reaffirmed in 1977, there can be no question of ending politics. "It is politics that determine the class social content of a possible nuclear war and its goals," one can read in the manual entitled "Marxism-Leninism on War and the Army," published in 1976 in Moscow, for the use of party leaders. "Detente," therefore, is not an objective reality. It is only a "psychological extrapolation" by the "liberal-optimist" thinking among Westerners. The West reasons under the assumption that the other side shares its own way of thinking. That is why it continued, during the negotiations in Vienna, during the Helsinki conference and the SALT agreements to exchange real trump cards for pleasant words.

Thus the real unbalance between the East and the West is political and psychological more than military. Seen from the Kremlin, the level of violence in case of a conflict does not depend on the arms that each side chooses to use, but on the political nature of the conflict. The East has a vertical conception of international relations: who can go the highest? The West has only a horizontal conception: who most wants to bring about a rapprochement?

The relationship of forces thus seems absolutely clear. In the last analysis, Soviet superiority lies in a political will: a desire for power. The Russians want something--and that is first of all to optimize their forces. The West wants nothing, except to "protect" itself against a possible attack. The East wants to win. The West wants to create conditions to make competition disappear. The East is mobilizing. The West perceives the idea of "mobilization" as antagonistic to its fundamental principles. Thus, Durand-Berger writes, "in politics as in war, the one who attacks is right."

The West, a victim of its ideologies of guilt, and incapacitating myths, tends to identify politics and morality. It does not ask itself where its interests lie; but rather what is "right." Jimmy Carter is concerned with the universal rights of man. The Kremlin fulfills the

destiny of Soviet man. In the East, the army attacks the enemy. In the West, it attacks mostly the hierarchy. Again, as Durand-Berger has remarked, "Soviet propaganda is directed toward the West. Western propaganda is directed, first of all, against the free world (...). The doctrine of accepting guilt is the principal strength of international communism." We find the same idea in the excellent essay by Phillippe Grasset, who emphasizes "the American inability to assume the destiny of a great power": "American foreign policy is not political. It imposes ideas and morality on international relations, instead of facts, interests and geography."

A "World Island"

Now, geopolitics constitutes the "global" view, which alone permits us to understand the factors of strategic invariance. (In that respect, it is opposed to narrowly "regional" views which think only in terms of a frontal attack.) Colin S. Gray presents here, carrying them farther, the views of the American school of geopolitics, advocated principally by Nicholas J. Spykman ("The Geography of Peace," New York, 1944), and who was a follower of Sir Halford Mackinder, who was writing at the beginning of the century. Under their influence, Gray proposes interpreting East-West relations as the reflection of a permanent confrontation between an "island empire" (the United States) and a "continental empire," whose center is Russia.

In geopolitical terms, the whole of Africa-Eurasia forms a "world island." This island is surrounded by an "exterior crescent" (outer crescent) made up of the Americas and Australia. In the heart of the "island," there is a key zone: the Heartland, which corresponds in a general way to the present territory of the USSR. In it, Mackinder saw the "greatest natural fortress on earth," which led to his famous formula: "Whoever dominates Western Europe commands the Heartland. Whoever dominates the Heartland, commands the World Island. Whoever dominates the World Island, commands the world."

Spykman adds to this view a definition of a "Rimland": a marginal zone made up of the lands "bordering" the Heartland and the seas which touch their shores. That means: the Kurile Islands (which command the access to the Sea of Japan), the Sino-Soviet frontier, the Indian sub-continent, Iran, the Near East, the Balkans, the whole of Germany-Poland and the Kola Peninsula. That means, all the "hot spots" in the world. This marginal zone is, in the eyes of the geopoliticians, the decisive zone par excellence--the only one in which the superpowers can confront each other without actually going to war.

The conquest of the Rimland can be accomplished in three ways: by arms, by "Finlandization," by control of energy. If the Soviet continental power takes control of the Rimland, says Spykman, it will dominate the world. The principal objective of the West must then be to prevent

such an assumption of control and to check the hegemonic pretensions of the continental power. That is the origin of the formula which revises that of Mackinder: "Whoever controls the Rimland, dominates Eurasia; whoever dominates Eurasia, controls the destinies of the world."

Gen Jordis von Lohausen, who follows in the tradition of German geopolitics founded by Karl Haushofer (in particular through the work of the Swede Rudolf Kjellen), accepts the lines of his main argument: we must think henceforth "in continental terms"; there exists an inevitable bond between territorial space and political power.

These are the "unpleasant truths" which the experts agree upon. Those truths, the Russians are quite obviously aware of. The Americans, on the other hand, seem less and less so: are they not now forgetting the importance of the Rimland? And Europe? Just as always, it is what is at stake; the very center of interests and conflicts. But what does it want? It is still wondering. Deep down, it does not seem to believe in the possibility of a war. The music of the facts resounds in vain, it has closed its ears. It has the means, but it does not have any plan. It does not even have any desire for a plan. "There is no arm where the will is lacking," said Yukio Mishima. General von Lohausen adds: "Man's will is his destiny." All it takes is the will.

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CSO: 3100

BECKERS EXPLAINS BELGOSPACE PROGRAM, POSSIBILITIES

Paris AVIATION in French 15-31 Dec 79 p 21

[Interview with Mr Laurent Beckers, director of Belgospace: "I Believe Less in the Relative Importance of the Belgian Space Program than in its Capabilities"--time and place not given]

[Text] [Question] What is Belgospace's role, who are the present members, and what is their industrial potential?

[Answer] Belgospace was created 17 years ago at the government's request, with the aim of giving birth to a single spokesman for all space issues. Twelve members joined, but later, discouragement overtook some enterprises, because of lack of continuity in the European programs. Today Belgospace has five member companies: Bell Telephone; Etca; Fabrique Nationale Herstal, Sabca, and SAIT Electronics. With the passage of time governmental-industrial relations have stabilized.

At present, the Belgian space industry represents a little more than 200 people, although it's frequently difficult to separate space from aeronautics. For the same reason, the volume of business conducted in this field is not known with precision. The fact is that space is secondary, if not marginal, in comparison with the companies' other activities. There is no Belgian enterprise whose vocation is specifically space. However, I believe less in the sector's relative importance than in its capabilities, which have been widely demonstrated. Our standing with our fellow participants, particularly with the big countries, is based more on capabilities than on the number of people involved or on the volume of business transacted.

[Question] Are the activities of the Belgospace member companies limited to only European programs?

[Answer] Yes, and that's an essential point. In this perspective we have good reasons for satisfaction, since the return factor is attractive. However, present trends within considering those of the agency. The practical result is that the Belgian space industry must turn to bilateral or trilateral cooperation with big countries, within the framework of their national programs. Thus Belgium is then in a weak position.

[Question] Can't you count on support from the governmental authorities at this time?

[Answer] It's not certain, a priori, that this is the case. The Scientific Policy Ministry's total contribution is assigned to ESA. It is not possible for us to support the Belgian space industry's positions at summit meetings like those which were held in France and Germany, for example, and which made an agreement on the direct television satellite program.

[Question] Nevertheless, the Belgian government has just accepted, on Scientific Policy's initiative, a research and development budget of 1.3 billion Belgian francs. How do you explain that nothing is set aside for space?

[Answer] The government can answer that it supplies enough to ESA for industry to profit by it. This is correct if the European space cooperation justifies some concern about the future. Even the big countries hesitate to participate in the most important European programs. Perhaps this malaise is attributable to the fact that initiatives ESA [European Space Agency] could take have a commercial character and must consider money making factors. Now the agency statutes are based on research and development, which excludes practically all commercial activity. Ariane-Espace has had to be created in addition to market the "Ariane" launcher. Belgium has a part in it, which can be described as attractive.

[Question] Belgium does not have a national space program. Isn't that a handicap in reference to what you were just discussing?

[Answer] This question has often been debated in the past. However, we have also examined the case of other small countries who have set up a national program, such as the Netherlands. We have concluded from it that it is not certain that we would suffer a handicap as a result of this lack. On the other hand, this idea is now regaining interest because ESA's coordination of national programs is an enticement. In addition, more and more big countries are carrying out their own programs without existing return factors being considered. However, although the balance sheet is actually in the black for manufacturing, it is not at all for research and development. In addition, experience shows that the funds ESA makes available for research and development are insufficient. Consequently, when it grants this type of contract to a company, in practice it can take care of only 20 percent of the costs. Industry must furnish the other 80 percent. In Belgium, for lack of Scientific Policy's help in such an event, the situation has become very difficult. Whence the hope for specific support.

[Question] And the future?

[Answer] It will essentially be in the marketing programs, via bilateral agreements, and in European programs which lead to a specific achievement by which the Belgian space industry can become a necessary point of passage. This, seeing the weakness of our means, corresponds to a specialization policy.

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CSO: 3100

LEGALITY OF QUEBEC REFERENDUM QUESTION CHALLENGED

Montreal LE DEVOIR in French 4 Jan 80 pp 4, 6

[Commentary by Herbert Marx, a member of the National Assembly: "Is 'the Question' Illegal?"]

[Text] Mr Marx is a liberal member of the National Assembly from d'Arcy McGee. From 1969 until his election last November, he taught constitutional law in the law faculty of the University of Montreal.

The referendum "question" which Prime Minister Levesque made public on 20 December 1979 lays itself open to several criticisms. For my part, I intend to reserve for another occasion an examination of the political mistakes one can see in it. My only purpose here is to try to analyze from a strictly juridical point of view and to ask if this question, as it is presently formulated, is legal or not.

The law on consulting the public (statute 92), adopted in 1978, limits the National Assembly as to questions that it can formulate and approve with a view to public consultation. The Quebec National Assembly is certainly completely sovereign in its sphere of competence, but it can subject itself to certain procedures to follow in public consultation. That is what it did. In other words, the question posed must comply with the requirements and standards of Statute 92.

Now it seems to me that the question proposed by the prime minister does not respect the standards of Statute 92 and consequently that it is invalid. This invalidity derives essentially from the fact that the question must be a "question," and not a question preceded by a description or an explanation of an option.

Article 7 of Statute 92 provides that: "The government can order that the electorate be consulted by referendum: a) on a question approved by the National Assembly of Quebec..." Moreover, Article 20 provides that: "The ballot is a printed paper on which is written, in French and in English, the question posed to the voters." Article 21 also permits ballots to be

printed in Amerindian or inuit [translation unknown] as needed. Further, Article 26 specifies that: "No later than 10 days before the holding of the vote, the director general of elections must transmit to the voters a single brochure explaining each of the options submitted to public consultation, and whose text is determined by the respective national committees. This brochure must assure that each option is allocated equal space by the director general."

These articles demonstrate clearly that the explanation of the option concerning the question must be found elsewhere than on the ballot.

Let us examine now the proposed question. It reads as follows:

"The government of Quebec has made known its proposition to create, with the rest of Canada, a new understanding founded on the principle of equality of peoples; this understanding would permit Quebec to acquire exclusive power to make its laws, collect taxes, and establish external relations, which is sovereignty--and, at the same time, to maintain with Canada an economic association comprising usage of the same money; all changes in political status resulting from these negotiations will be submitted to the people by referendum;

"Consequently, do you give the government of Quebec the mandate to negotiate the proposed understanding between Quebec and Canada?"

What we have is an explanation of one option followed by a question.

If this question is adopted by the National Assembly for submission to the voters, the government's option will be found both on the ballot and in the brochure provided in Article 26, while the opposition's option will be found only in the brochure. The voter will thus be entitled to two explanations of the government's option, but only one of the opposition's option. This, in addition to being fundamentally unjust, goes against the spirit and the letter of Statute 92.

In summary, Statute 92, in Articles 7, 20, and 26, clearly separates the question itself from the explanation of the options concerning it. Now the proposed "question," contrary to the provisions of the law, mingles these two elements which ought to remain distinct.

One notices that the explanation in the proposed question comes to 94 words, while the question proper is only 21 words. Can the "question" be preceded by a preamble? If so, of what length? Can a "question" include a preamble of 100 words? 200 words? 500 words? In my opinion, a question must remain a question as defined in the dictionaries, and nothing else. If the lawmakers had wanted that a question envisaged by Statute 92 should include a preamble or other kind of explanatory note, it would have been expressly provided.

Statute 92 provides a second means of consulting the people. In fact, Article 7 provides that: "The government can order that the electorate be consulted by referendum:...b) on a bill adopted by the National Assembly of Quebec..." It goes without saying that a bill can include a preamble of any length whatsoever. For example, the preamble of the Charter of the French Language is 167 words, while the preamble of the Charter of Rights and Liberties of the Person is 131 words. A bill can also include, in its articles or in an annex, definitions, explanations, and so forth. The policy of the government would be better served if it proceeded by means of a bill rather than a question.

The "question," as it is presented, makes implicit reference to the unwritten book of sovereignty-association. But it extracts from it certain elements--fiscal powers, monetary union, external relations--and passes by others in silence, for example the army or passports. The option described in the question thus differs from an unwritten book. If the brochure which will be distributed to the voters shortly before the vote also includes other variations, one will no longer know on what one is voting "yes" or "no."

In sum, the question, as proposed, risks being illegal and invalid for reasons given above. By consequence, the government must submit the question of the validity of "the question" to the Referendum Council instituted by virtue of Article 2 of Statute 92. The government must avoid pushing political considerations ahead of legal considerations, as it did for example in the affair about Statute 101.

9516

CSO: 3100

QUEBEC POLL INDICATES DECLINE OF SUPPORT FOR 'YES' VOTE

Montreal LA PRESSE in French 26 Dec 79 p A4

[Editorial by Vincent Prince: "The 'Yes' Camp Losing Ground"]

[Text] What is striking, once more, in the CROP [Public Opinion Research Center] survey undertaken for Radio Canada, the results of which were published in Saturday's newspapers, is the disproportion which continues to exist between the number of Quebecois who favor sovereign association, and those who would be ready to authorize their government to move in that direction. According to the survey, 41 percent of Quebecois favor giving their government a mandate to negotiate sovereign association, while only 23 percent of them claim to favor this new type of constitutional regime.

How to explain this deviation, which at least at first glance appears clearly illogical? Perhaps it is simply a question of shrewdness. The reasoning could follow this likely path: one can always ask for the most to obtain the least. And then, simply negotiating does not commit one to much. Let us see what it can get us. Perhaps we will emerge with a substantially revived federalism, much more acceptable.

Because, from the same survey, one sees clearly that the various federalist options still remain, and very clearly, the preference of the Quebecois.

In any case, it seems very evident that Prime Minister Levesque and his colleagues, wanting to get a "yes" on the referendum at any price, have chosen a prudent course in contenting themselves with asking for at the most a mandate to negotiate. They have allowed themselves to be guided by opinion polls. Besides, according to certain sources of information, they were in possession of the results of the latest Radio Canada poll before drawing up their famous question.

In spite of everything, the Parti Quebecois is far from being assured of victory, for it is important to note that the 41 percent it received in the Radio Canada poll is noticeably distant from the peak of 54 percent obtained in the CROP survey of last July on a similar question. Besides, LE SOLEIL of Quebec and Montreal's GAZETTE had IQOP [Quebec Public Opinion Institute],

another institution specializing in opinion surveys, perform a poll on the same question unveiled 20 December by Prime Minister Levesque. Now this poll, coming later than the Radio Canada poll, since it was conducted between Tuesday and Saturday of this last week, shows a still more accentuated retreat from the "yes" ranks. For the first time one sees that the no-voters would win.

According to the disclosures of SOLEIL and GAZETTE, the proposition would get no more than 36.5 percent of the votes, compared to 47.2 percent against and 16.3 percent undecided. Assuming that the results accurately reflect the state of mind of Quebecois, one could perhaps deduce that the rather over-refined character of the actual question perplexed more than a few. It could be also that the population, in general, assumes the worst of a project and hesitates more and more to vouch for initiatives whose outcome is mistrusted.

One could even predict that this hesitation will grow if the opponents of "yes" come to say a little more clearly just what a revived federalism could be and, especially, if they get some commitment from the rest of the country to discuss it seriously.

However that may be, it has been apparent for some time that the population is looking at things with a more critical eye. The defeats suffered by the government in the last by-elections really seems attributable in large part to voter opposition to the sovereignty idea.

It is true that these elections were held in a climate of social unrest, which is always unfavorable to the administration in power, but one should not forget that the latest surveys continue to show that a majority of voters approve the conduct of the Levesque administration as a "provincial" government. One must therefore look elsewhere for the cause of these reverses, even more so in that no previous administration, in similar circumstances, ever knew such defeat.

Evidently, the provincial liberals, under the leadership of Mr Claude Ryan, appear now as a valid alternative to the present government. If one gives credence to the most recent opinion surveys, they could even sweep the province at the next elections. But this new popularity surely cannot be attributed by the liberals solely to their rediscovered credibility. They owe it in good part to the growing fear of the people of embarking on an adventure which appears, as the date approaches, to contain more and more inextricable problems in which to get entangled.

The PQ [Parti Quebecois] which was ready to content itself with a "yes" that committed little and meant little in its referendum this spring, could even flunk a test it thought rather simple. The people, in sum, appear less and less ready to be seduced by the clever strategy of gradualism.

TURKS TO OPEN VAROSHA HOTELS

Nicosia THE CYPRUS WEEKLY in English 4-10 Jan 80 pp 1, 7

[Text] The Turkish cyprriot leader Mr Rauf Denktash has stated that his administration will go ahead and open "three or four hotels" along the now deserted section of the Famagusta seafront whether the hotels' Greek Cyprriot owners agree to such a takeover or not. More hotels would be opened in stages, he said.

Mr Denktash clarified in an interview that his recent offer to Greek Cyprriot hoteliers to reopen their hotels did not mean that other Greek Cyprriots would be allowed to return to their homes and businesses in the tourist-resort city that has been empty since it was occupied by the Turkish Army in August 1974.

Mr Rauf Denktash has said that recently he cancelled a second meeting with three "mystery" Greek Cyprriot hoteliers from Famagusta because they changed their minds at the last minute.

In an interview with the Nicosia based East Med News, he said he saw the three Greek cyprriot businessmen in London last year and discussed with them the possibility of reopening their hotels under Turkish administration. He again refused to identify them.

He said their query at the time was: What were the Turkish conditions for starting their businesses within the "Turkish Federated State," especially conditions relating to their safety?

The Turkish Cyprriot leader told his interviewer, Mr Chris Drake: "We did agree that we would discuss this matter with my friends and they would discuss the matter with theirs, and if they gave a certain signal to me then I would press on."

Mr Denktash went on: "A few weeks ago I was on the move to go to London to have a final meeting. I got my ticket and was going the next day, and then I was informed 'Don't, because we'll not be able to be there.' So I cancelled it. I didn't go. However, I don't know the true reason why

they didn't go--are they backing out completely or are they frightened?"

Question: What was the reason they gave?

Denktash: That they couldn't go. It was impossible for them to go at that time.

Question: Obviously they were not in London at the time, so presumably they were in Cyprus in the south?

Denktash: Yes, yes, but I got the information from London.

So, I cancelled that trip, but the proposition that we are ready to allow them to open their hotels is there. We are ready to consider conditions which they would put forward for opening and therefore the invitation should be out."

"Do not make a mistake, our offer is merely for the hotels and what is near them. This is not an act of opening Varosha (the modern Greek Cypriot sector of Famagusta) to occupation by anyone. It is for opening hotels for tourists," he declared.

Mr Denktash explained that one of the reasons that prompted his offer for the return of the Greek Cypriot hotel owners was "We need hotel beds."

"We shall need them this year very badly. These hotels are there. They must be used," he said.

"Any reasonable custodian would put them to use," he added, and maintained that the self-proclaimed Turkish Cypriot Federated State was the legal custodian of all properties in Famagusta.

Both the Cyprus Government and the Famagusta hotel owners have rejected the Turkish Cypriot offer for the reopening of the Famagusta hotels. Foreign Minister Nicos Rolandis charged that the Turkish offer was nothing more than a bluff, to disguise the intended seizure of these properties.

'Slaves'

He argued that Denktash "is interested in the hotels and before laying a hand on them, he wants to prepare world opinion by claiming that he offered the hotels to their owners but that they refused to open them." The Greek Cypriot hoteliers could not be expected to end up "slaves in their own town", he said.

The refugee hoteliers of Famagusta also charged that the Turkish offer, far from creating a climate of understanding, was intended as a prelude for more faits accomplis. They warned that any attempt by the Turkish side to operate the Famagusta hotels would be resisted strenuously, both in Cyprus and abroad. The hoteliers appealed to the British Courts in 1977 to prevent the takeover of Greek Cypriot owned hotels by the Turkish Cypriot Administrations and the case is still pending.

Nicosia legal circles, familiar with the case, rejected a claim made by Mr Denktash in the interview that the British courts had confirmed the right of the Turkish Cypriot administration to act as legal custodian for these properties. The case is still pending, and what the House of Lords has done so far is to rule that it had no jurisdiction to deal with cases involving immovable property rights outside the United Kingdom, ruling at the same time, that nobody had a right to use the "chateaux" (the furniture, fixtures and fittings of these hotels) without the consent of the owners.

'No recourse'

Denktash reiterated during the interview that he met three Greek Cypriot businessmen hoteliers in London last year, who discussed with him the reopening of their hotels in Famagusta. He said a second meeting "a few weeks ago" did not materialise because the owners backed out of it. He said one of the conditions of the meeting was that he should not identify the three.

In the course of the lengthy interview Mr Denktash made the following points:

"Now we have in our files from three people, on condition of non-publication of their names, that as long as we maintain their hotels and keep them in good trim and shape, they will have no recourse to court... Looking at it from the legal point of view, which was confirmed by the House of Lords in the Dome Hotel and Hesperides Hotel cases, we are the custodians of these properties."

Denktash argued that as custodians they could not simply leave a hotel unoccupied."

"We have to occupy it, and look after it, and work it and keep an account for settlement later on. So from a legal point of view we are all right," he said.

If the hotel owners maintained political position they would never go to Varosha, because it was under Turkish federated rule he said. "It is their business, because Varosha is now under Turkish federated rule and shall continue to be so until a settlement."

After explaining that the hoteliers have until the end of February to answer his ultimatum for the reopening or takeover of their hotels, Denktash said:

"Varosha is not just a door to be opened. There is a great deal of work to be done, but as from the end of February you can claim complete responsibility and you can ignore that Varosha is a closed city as from that date. This is not an act of opening Varosha to occupation by anyone. It is opening hotels for tourists."

The Turkish Cypriot leader said several foreign firms had expressed interest in leasing Famagusta hotels and running them. He refused to reveal the nationality of these firms.

He clarified that after the February deadline, the Turkish Cypriot administration "shall be free to open them (the hotels) ourselves. This doesn't mean opening 10, 50 or 30 hotels all at once."

Leasing

It will mean taking appropriate action as needed and proceeding."

This meant that only three or four hotels would be opened along the seafront this year, he said. The hotels belonging to the three owners he met in London would not be among the first to be opened because "they are on the seafront, but a long way down."

Denktash said his administration would give favourable consideration to the leasing of the hotels by their Greek Cypriot owners to foreign firms. "But they will have to hurry," he added.

He gave the following three reasons for the offer for the reopening of the hotels:

"A - Because we are the legal custodians.

"B - It is of economic importance. We need hotel beds, we shall need them this year very badly, so these hotels are there. They must be used, any reasonable custodian must put them into use.

"C - Politically the Greek Cypriots and the foreign press do not know much about the situation in Cyprus, and accuse us of inability to run the hotels and say that is why they are decaying.

"So why should we leave the area completely empty? We left it in the hope the Greek Cypriots would come and settle the problem very soon and they would be able to use their hotels. They haven't come. It's five years now. There is no indication they will come in another five years if God gives a long life to Mr Kyprianou and he is re-elected.

"I don't think he will accept a compromise from his position of: 'I am the Government and sovereignty is with the people of Cyprus, and therefore there is an invasion, and therefore nothing is going to happen until we remove the invader.' That is the man's approach. That is his mentality."

CSO: 4920

PRO-PRC CP PAPER EXAMINES REASONS FOR COMMUNISTS' SETBACK

Oslo KLASSEKAMPEN in Norwegian 7 Nov 79 p 16

[Article: "Danish Communist Party's Historical Shipwreck"]

[Text] Election losses and a split-up will be the main courses when the Danish Moscow-party DKP [Danish Communist Party] sits down at the table to celebrate the party's 60th anniversary on Friday.

The decline of DKP in the parliamentary election on 23 October was a crashing decline. As compared to the parliamentary election in 1977, the number of votes was almost halved from 114,022 votes in 1977 to 58,814 votes in the election on 23 October this year. The result was that all seven DKP representatives in parliament were kicked out.

Expulsions

Just afterward came the expulsion of Freben Moller Hansen--an expulsion which has attracted just as much attention in Denmark as when the earlier chairman Aksel Larsen was expelled in 1958 after having been accused of "revisionism."

The DKP 20th party congress that year supported Khrushchev's party congress in the Soviet Union 2 years earlier, and Knud Jespersen became the new chairman. The year afterward, in June 1959, Aksel Larsen started the Danish Socialist People's Party.

The Social Democracy

Knud Jespersen sat as DKP chairman from 1958 to his death in December of 1977. Then Jorgen Jensen from the Metalworkers Union in Lungby came in as the new chairman.

In this time DKP has distinguished itself as a collaboration partner with the Social Democrats. The DKP parliamentary representatives have guaranteed Social Democratic governments, and this has created a big split in the top leadership of the DKP. We received the first early

warning about this in the fall of 1975 when the veteran Carl Madsen was expelled for his criticism of DKP's policy of hanging on to the tails of the Social Democrats.

The Meeting of the Central Committee in December

On 24 September we received early warning that new things were brewing in DKP's leadership. In this meeting we received a professional statement. The sole purpose of the meeting was to establish that DKP intended to keep all professionally organized people within the Danish Federation of Trade Unions. Three members in the Central Committee had criticized DKP a long time for collaborating with the Social Democrats. This was Preben Moller Hansen from the Merchant Marine Federation together with Hans Dresler and Jorgen Tved. Hans Dresler is secretary in the Merchant Marine Federation, and this group wanted to form a new federation, a Danish 'transport workers' federation controlled and directed by the DKP.

The meeting of the Central Committee on 24 December rejected this and wanted the organizational structure in the Danish Federation of Trade Unions to continue as before.

Fear of the Social Democrats

The meeting had two objectives: One was to get Preben Moller Hansen to shut his mouth. The second objective was to save one's skin with respect to the Social Democrats. A new DKP-controlled trade federation, which might even stand outside the Danish Federation of Trade Unions, would have been a very heavy burden on DKP's continued collaboration with the Social Democrats.

It seems like the relationship to the Social Democrats will be the rock which the DKP ship will collide with. When the trade opposition beat the bass drum in the parliamentary election in 1974, it was DKP's voting for Anker Jorgensen in parliament which stole the wind from this opposition.

Now it seems that DKP will lose more than 600 members since Preben Moller Hansen has been expelled.

The Tight Nucleus

After Aksel Larsen had been expelled in 1958, the survivors in DKP swore to stand together until death separated them. It was this tight nucleus which expelled Preben Moller Hansen on 29 October. It was the party's Grand Old Man Ib Norlund, an unofficial chief ideologist, the man who wrote DKP's party history: "The Bones and Joints of Society Are Creaking." It was Freddy Madsen, Preben Henriksen, Ingmar Wagner, Ivan Hansen, DKP's mayor in Copenhagen, a man who wanted a 1980 budget for the city

which DKP's party organ LAND OG FOLK characterized as a "historical agreement," and it was Poul Emanuel.

The Strong Man

The newspaper POLITIKEN on 4 November says that the last of this tight nucleus, Poul Emanuel, is the actual power in the party. He has been the driving force in all expulsions from the party. In addition to functioning as the driving force when the veteran Karl Madsen was expelled in 1975, he has also made sure that two other known party cadre have been expelled. POLITIKEN also maintains that Poul Emanuel worked hardest when Preben Moller Hansen was expelled.

The Chairman

The party chairman, Jorgen Jensen, was less in favor of expulsions. Before the expulsion was a fact, Jorgen Jensen promised that there would be no ejection of Preben Moller Hansen. Jorgen Jensen was prepared for a compromise "only" to throw Hansen out of the Central Committee and the Business Committee. This compromise proposal lost out.

On the Way to Ruin

It is tempting to predict that the DKP now is on its way to ruin in Danish politics, that the party can console itself together with the sister party NKP [Norway's Communist Party] in Norway next time the Gallup poll figures are to be compared, but the road to that point is still long.

On Sunday POLITIKEN pulled out several proposals for theories on why the Danish Moscow party is receding.

The Communist Labor Party

The Communist Labor Party (KAP) was mentioned in that connection. Jan Stage in POLITIKEN writes: "The DKP as a political organization was exposed to splitting-up attempts, both from the Communist Labor Party and from Preben Moller Hansen, and the result was that the party was short only a few thousand votes from being able to stay in the new parliament with four representatives."

In several newspapers DKP is no longer talked about as the party with a "historical agreement" but the party with the "historical shipwreck."

8958

CSO: 3108

JØRGENSEN TURNS TO SMALL PARTIES FOR 'PACKAGE' SUPPORT

Copenhagen BERLINGSKE TIDENDE in Danish 16 Dec 79 p 11

[Article by Lisbeth Knudsen: "Two Months' Russian Roulette With Anker Jørgensen's Revolver"]

[Text] "He is gradually coming to believe he can walk on water." A bitter comment from one of the government's closest negotiating partners on a prime minister who since the founding of the Social Democratic minority government less than 2 months ago has been using "revolver politics" to put his proposals through.

This term for the prime minister's new methods of negotiation was coined by Arne Melchior (CD) [Democratic Center Party], who has himself felt Anker Jørgensen's "revolver" at his back during several negotiations with the CD in the prime minister's office during recent days. Other parties have been treated to the same hard methods of negotiation--a sort of Russian roulette--in Anker Jørgensen's struggle to get a slender majority for parts of the government's package solution.

The parts and the Social Democratic demands that caused the SV [Social Democratic-Liberal] government to go to pieces at the end of September, and that Anker Jørgensen threw on the Folketing's table again in the beginning of December with an obvious possibility of having to see it end in elections instead of a political solution.

Direct Line

A direct line can be drawn from the S-LO [Social Democratic Party-Danish Federation of Trade Unions] paper that was adopted at a joint meeting between the Social Democratic Party and the LO on 17 September and that caused the SV government to fall at the end of September--to the crisis package that the government has been fighting to get the Folketing to accept these last few days.

In the press release after the meeting of 17 September it was stated that a revamping of the existing employment plan would be carried out and a new

employment plan would be worked out which might be in effect up to 1983. That is in the government's crisis package, too.

Point 2 of the press release said that an excess profits distribution would be effected as a start toward ØD [economic democracy]. Details of the compulsory profit sharing with a central fund were discussed at the meeting against the background of a bill of Labor Minister Sven Auken's dated 14 September, and it contains all the formulations that have now precipitated in the coownership bill in the government's crisis package.

Point 3 of the press release of 17 September says that a Wage-Earners' Cost-of-Living Fund would be set up, in which labor representatives alone would administer monies from the frozen cost-of-living allowances that are now in the ATP [old age pension] fund.

Point 4 is a change in tax policy with a change from deductions in income to deductions in tax, with interference in the taxation of investment societies, capital pension systems, investment funds, and establishment accounts. All of these interferences enter into the government's overall solution.

But what was not in the press release was the wage and price ceiling, which the government has since put near the top of the list, and which the Social Democratic Party did not want to spell out during the election campaign in October.

New Style

As early as September it could be seen that not only did the Liberals find the Social Democrats' demands unacceptable, but there would not be a majority in the Folketing in favor, for example, of compulsory profit sharing. Prime Minister Anker Jørgensen acknowledged that before the election of 23 October. The election did not change the composition of the Folketing very much, nor did it improve the government's chances of a majority for a number of the earlier joint S-LO ideas.

"I will not be tempted to resort to narrow majority solutions," said Prime Minister Anker Jørgensen the day after the election to a number of newspapers, and during the rounds of discussions with party leaders after the election he rejected the idea that a majority based on the Radical Liberal Party and the Socialist People's Party would be broad enough to achieve satisfactory solutions.

In the past Prime Minister Anker Jørgensen has survived almost impossible political compromise situations by means of negotiating tactics and a maneuverability that from time to time brought him into sharp conflict with the trade union movement, but ensured him a parliamentary majority for compromise after compromise. After the unexpected Social Democratic victory in the election of 23 October, Anker Jørgensen adopted a new style. Even during the formation of the government it was clear that Anker Jørgensen would now use new methods, and that an S-LO unity had become so firmly

cemented after the split under the SV government that the Prime Minister would quickly run into political confrontations. These showed up after the formation of the government.

On the very day after the election Anker Jørgensen stated that a Social Democratic minority government would be formed. That happened after only the FRP [Progress Party] had really pointed directly to Anker Jørgensen as prime minister. The rest of the parties either had recommended negotiations on the formation of a government or had omitted to point out anybody at all.

Anker Jørgensen's revolver politics since he seized power on 24 October has taken the following course:

Clear Message

1. A TV appeal by the prime minister to consider the governments provisional crisis measures in November as enacted laws, even though they had not yet been presented to the Folketing. The laws later only got majorities of shifting parties.
2. The prime minister ignored a request by 60 members of the Folketing to postpone measures against resident-owned apartments as an expropriation law, and confirmed the law.
3. In November the prime minister succeeded in breaking the housing compromise and the defense compromise. Later, during the discussion of the crisis package at the beginning of December, he refused to respect an old agreement with the Conservatives and others on the frozen cost-of-living allowances.
4. At the end of November negotiations were started with the [employee and employer] organizations, which later turned into negotiations with the LO and notification of the rest.
5. Shortly before the December package was presented, the government carried out a devaluation which neither the organizations nor the parties were informed about in advance.
6. After advance consultations with some parties, on 4 December the prime minister presented a crisis package that looked just like the S-LO sketch of 17 September. In spite of strong opposition and rejection by all parties represented in the Folketing except the radicals, Anker Jørgensen demanded that the package be regarded as a unit, in which no changes can be made of a substantial nature.
7. Party after party is being called in for discussions in the prime minister's office and given clearly to understand that the alternative to the government's complete package is an election and the risk that a new government will have huge tax increases as a political possibility, because the LO wants to prevent an income policy in this way.

8815

CSO: 3106

DISSENSION INSIDE PROGRESSIVE PARTY CONTINUES

Copenhagen BERLINGSKE TIDENDE in Danish 8 Dec 79 p 6

[Article by Hans Møller]

[Text] The hardest clash thus far is expected in the Progressive Party meeting in Nyborg today. Several of the party's Folketing members have indicated to BERLINGSKE TIDENDE that it may end in a break-up or resignations from the party.

The conflict is over who shall lay down the party's line, the central committee or the Folketing group.

Before the meeting today the two sides are unusually sharply opposed to each other. Recently Steen Nymann, M.P., one of the "loose" faction, said in a letter to national chairman A. Roland Petersen that his work is gradually becoming more disturbing than organizational.

That was after a contribution by the national chairman to the paper DANSKE TIDENDE in which he wrote that 12 of the members of the Folketing delegation are no longer worthy to represent the Progressive Party.

Depressed Mood

Steen Nymann writes, "It must certainly be conceded that your work is gradually coming to be regarded as more disturbing than organizational, so if your intention is to damage the Folketing group, you are on the right track.

"Unfortunately, it must be admitted that you have succeeded in making the mood depressed with your various initiatives and maneuvers. In particular, the majority of the group feel that with your article in the aforementioned paper on 28 November you have made yourself a burden, and that, specifically, you have tried to split the Folketing group."

Earlier, Folketing member Jørgen Junior stated that the national chairman would serve his party best by resigning.

The background for these statements is that the national committee wanted to fire Lise Simonsen, the group's secretary. But the group decided by a majority of 12 to 8 to keep her.

A. Roland Petersen tells BERLINGSKE TIDENDE that he is convinced that he has a majority behind him in the organization as a whole, even though he has not in the Folketing group. "And what we are trying to do now is to get the line clarified," the national chairman says.

Traitors

The "strict" faction have also been in action before the meeting. These include Elisabeth Bardino; Wencke Hansen, member of the radio board; Ninna Pedersen; Dora Rossen; and Merete Thorlak, county chairman.

They write in a letter before the meeting that they will do everything they can to change the development that has taken place in the group since the decision that Lise Simonsen could continue.

The letter reads in part, "Mogens Glistrup or other national committee members are asked kindly to refrain from any efforts that might be directed toward pacifying those who have taken the initiative in this serious matter. We reserve to ourselves the right in the future, on an equal footing with the traitors to the party, to keep the press informed to the extent that we consider expedient."

DANSKE TIDENDE

Nor will this conflict be the only thing that will give rise to debate at the meeting. Thus, the party organization in Fredensborg-Humblebæk has announced that it will start the debate on Mogens Glistrup's contribution to DANSKE TIDENDE. A debate that could not be carried on at the national meeting.

That party organization writes directly in a letter to Mogens Glistrup: "That paper has a poor reputation, nationally and politically, and is regarded as being beneath the level with which decent people should concern themselves."

8815

CSO: 3106

GLISTRUP PARTY MEETING FAILS TO RESOLVE STRIFE

Copenhagen BERLINGSKE TIDENDE in Danish 10 Dec 79 p 10

[Text] The Progressive Party did not get its internal conflict settled at the Nyborg meeting. The situation after the meeting between the "stricter" and "looser" factions must be said to be undecided.

The national committee, however, could chalk up two minor victories for its line, inasmuch as those attending the meeting--county representatives and Folketing members as well as candidates, were persuaded to demand that the Folketing group part with the group secretary, Lise Simonsen. That proposal got a small majority, but the group still will decide itself whether it will fire the secretary.

On the other hand, no agreement was reached on the candidacy of Jørgen Junior, member of the Folketing. At the preparatory meeting of the national committee, Mogens Glistrup, Harald Horn, and Anker Tank Sørensen favored not discussing the matter further. The other three members of the national committee, however, were opposed.

According to the party rules this means that the decision to deny Jørgen Junior the nomination remains in force, and that dispensation was given only for the last election. From what BERLINGSKE TIDENDE learns, the national committee will hold a meeting on this matter on 28 December, where an attempt will be made to get a final decision on the problems surrounding Jørgen Junior.

At the meeting a political resolution was adopted in regard to the crisis negotiations. It said among other things that production will be increased.

"For that purpose the Folketing must necessarily strengthen the firms and the workers. Manpower and money must be transferred from gold office administration," according to the resolution.

8815

CSO: 3106

GLISTRUP ATTACKS PRESS REPORTING OF PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 13 Dec 79 p 13

[Article by Mogens Glistrup, MP, FRP]

[Text] More and more people must recognize that Denmark is on the way to the abyss because weak Folketing politicians have for many years voted for public handouts far beyond what the country's economic strength can bear.

The Progressive Party has been saying that for a decade. It was for that reason that the Progressive movement was founded.

Down through the 1970's, at every single crossroads--the August compromise, the formation of the SV [Social Democratic-Liberal] government, etc., we analyzed the situation and stated in one spokesman's address after another in the Folketing that the so-called responsible parties' actions only make bad enough into worse.

We have also presented constructive, precise proposals on how the root of the evil--the excessively large public sector--can be eliminated.

Gradually, many have come to agree with us that the Progressive policy is the only realistic alternative. Because it is entirely unrealistic to expect that the gigantic foreign lending can continue to all eternity. And the policy of Schlüter, Anker Jørgensen, Christophersen, and Helveg is quite unfeasible without new billions in loans every month.

That is the essential feature by which the public is to evaluate the Progressive Party.

In the work of the Folketing we have constantly held to the policy described above. Just before the current Folketing year began, we crystallized out the Salvage Plan for Denmark. It was adopted by a united Folketing group and a united national meeting.

Now, 2 months later, the government has come out with the 18-bill overall plan. Again a united Progressive Party Folketing group has stated that

the Anker Jørgensen government's flagship is ØD [normally, economic democracy] in the meaning of "Odelæg Danmark" [ruin of Denmark]. The group has worked out a precise alternative to the government plan. Embodied in part in more than 1,000 proposed amendments to the finance bill. So many bills are necessary if we are to intervene effectively and lastingly in the SVKR [Social Democratic-Liberal-Christian People's Party] routine of so many years.

That policy was presented at the miniature national meeting of the Progressive Party in Nyborg Sunday and adopted by an overwhelming majority.

The mission of the mass media must, of course, be to give their readers truthful information about what the political parties are trying to do, but reading BERLINGSKE TIDENDE during the first 10 days of June was, if possible, more depressing than usual.

As is well known, the paper has a department headed "BERLINGSKE Corrects." It can be used every day to disavow what was written the day before about the Progressive Party. The reason is that what BERLINGSKE TIDENDE writes is done throughout without taking the trouble to be present at our meetings (e.g., in the Folketing group or the aforementioned miniature national meeting) or talk with Progressive Party people about what is basically taking place.

In earlier letters to the editors I have pointed out that it is wrong to say that the Progressive Party has broken any agreement or rule whatever in connection with the discussion of the finance bill.

On the miniature national meeting the reportage was largely limited to a few unimportant personnel problems, such as the Lise Simonsen case, which has been settled, and the Jørgen Junior case, which was settled on 28 December.

It has been represented as if there were a question of splits in the Progressive Party. That is outright untrue; as documented above, we have been working the whole time in the best of harmony with regard to all that matters.

Sunday BERLINGSKE TIDENDE said that the national committee could not reach agreement on a position with regard to the miniature national meeting until far into the night. The truth is that an undramatic, routine national committee meeting was concluded Saturday evening in good time for TV news and the Matador program.

Monday BERLINGSKE TIDENDE continues with a three-column headline reading, "Progressive Party Finds No Solution to Internal Conflict." One can, of course, say that that is true with the understanding that there is not and never has been anything that can reasonably be called "internal conflict." There are the aforementioned two limited personnel matters, and they must, of course, like all the trivialities that come up in the course of time in

any party, be settled in accordance with the party's rules. And so they are, without arousing any excitement at all or leaving any permanent traces in the Progressive Party work, which is absolutely the only realistic alternative for the solution of the Danish problems of the 1980's.

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CS0: 3106

SOCIALIST PEOPLE'S PARTY REJECTS JØRGENSEN PLAN

Copenhagen BERLINGSKE TIDENDE in Danish 15 Dec 79 p 17

[Article by Solveig Rødsgaard: "SF Will Stick Together at Any Price"]

[Text] The traces of 1967 are so frightening that overthrowing a Social Democratic government is preferable to a showdown between the Folketing group and the national committee.

The traces of the party split in 1967 frighten the Socialist People's Party so much that the party's leadership will overthrow a Social Democratic government rather than have a showdown between the Folketing group and the national committee.

For that reason the Folketing group--visibly shaken--has dutifully carried out the national committee's decision of last evening to vote against the government's ØD [economic democracy] bill. Even if the SF may thereby become the government's destroyer, as in 1967.

Gert Petersen, party chairman, says, "Am I sorry about the reaction out in the plants? Yes, God knows I am. But I put a higher priority on holding the party together. Therefore we do not want to experience a confrontation between the Folketing group and the national committee. The traces of 1967 are frightening in the highest degree.

"I can well imagine that a lot of people think it is wrong for us to ask the national committee about matters of this kind. But it is a democratic organ for the members of the party. And this procedure is more democratic than when Anker Jørgensen asks the executive committee of the LO [Danish Federation of Trade Unions]."

The SF [Socialist People's Party] national committee has 40 members plus the party chairman. At the exciting national committee meeting Wednesday about 30 showed up. By a majority of 2--15 to 13--the national committee decided that the SF must not negotiate with the government on ØD. It took two votes. The first time the votes were 13 to 13, but then two "don't knows" pulled themselves together and voted against the position of the

Folketing group.

The majority was thus not overwhelming. But it came from "young people of the academic type and from the union people." The standard-bearers were Bjarne Mortensen, chairman of the party's national committee on unions and a brewery employee; Bjarne Jensen, agent for B & W [expansion unknown]; Pelle Voigt, seminarian; and Jes Lunde, university student. It was Jes Lunde that formulated the decision that the SF could not negotiate with the government on ØD.

One of Jes Lunde's reasons was that the demand for ØD should come from the plants and not from the top echelon of the LO.

On the Spot

It can be attributed to a high degree to Gert Petersen and Ebba Strange, group chairman, that there was a majority for voting against ØD negotiations. "They were surprisingly surprised," as one member of the national committee expresses it.

After the meeting of the national committee there were a few of the more moderate members that talked about holding another meeting to discuss the matter again. But they found no support, and the Folketing group did not try to do anything about it.

"I am staying entirely out of that affair. I do not want to take the initiative for the national committee's going into it again," said Gert Petersen.

Others in the national committee take this view: "We are not afraid of an election. Whatever we do we are on the spot. Either with the Social Democratic Party because we would not go along with the ØD negotiations, or with the DKP [Communist Party of Denmark] and the VS [Leftist Socialist Part] if we did."

The difference in views between the Folketing group and the majority of the national committee is not interpreted as meaning that the differences between the two groups have become greater. "But we are in the classic situation among leftist groups that the Folketing group is more reformist than the party apparatus," as the saying goes.

Of the 40 members of the national committee, 22 are elected at the national meeting of the party and 18 are elected locally in the counties. The national committee is elected every other year, and the SF national committee now serving was elected a year and a half ago. It is thus the first national committee to be elected after the showdown with the Larsenists.

The chief aim of the SF is to stand together. The shocks to which the party has been exposed in the last 12 years do not call for repetition. First the split in the party in December 1967, when some of the members of the

party's then Folketing group overthrew the Krag government. That led to the formation of the Leftist Socialists, and the cause was a war of attrition between the Folketing group and the national committee.

The SF was shaken and many foresaw the party's death after an existence of 9 years. In the election of 1 January 1968 the SF got 11 seats, a loss of 9 seats. In the election of 1971 the party got 17 seats and was on its way to recovery.

But in 1972 Aksel Larsen, founder of the party, died, and in 1974 Sigurd Ømann, the party chairman, was replaced by Gert Petersen.

Larsenists

In the course of a few years that led to the second big shock, namely the Larsenists' fight against the increasing theoretical leftist movement in the SF.

The Larsenists were Sigurd Ømann, Kristine Heitberg, Henning Philipsen, Poul Dam, and Kurt Brauer. They all left the Folketing in the election of February 1977, and they have led a very retired life since then. Until the election of October 1979, however, they called upon the voters to rally round the Social Democratic Party. Since then Henning Philipsen has joined the Social Democratic Party, and other Larsenists have resigned from the Socialist People's Party.

The SF is thus left with a number of left-wing positions, which cause some to think that the party is trying to join the VS [Leftist Socialist Party]. In the summer of 1978 Prime Minister Anker Jørgensen went so far as to forecast the demise of the SF. The Gallup Poll counts also came clattering down for the SF, but within the last few years the party has been revived, and it got 11 seats in the election in October.

On the 20th anniversary of the birth of the party, Gert Petersen, party chairman, made a few remarks on the party's rôle: "We shall continue to make sure that we meet the need for an independent democratic socialism and that we are in a position to attract independent people with strong democratic principles."

But it was Aksel Larsen, founder of the party, who said the famous words, "We must not lift the banner so high that our feet cannot touch the ground."

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DEFENSE MINISTER: REDUCTION IN FORCES 'INEVITABLE'

Copenhagen BERLINGSKE TIDENDE in Danish 23 Dec 79 pp 1, 16

[Text] A weakening of the defense forces is inevitable, since in spite of rationalizations and simplifications it has not been found possible to reach the present strength objectives with the available volunteers.

In this statement Defense Minister Poul Søgaard is not providing any basis for doubts about the government's intentions. He made the statement in answer to the seemingly "innocent" question from Svend Erik Hovmand, member of the Folketing (V) [Liberal], who quite simply wanted to know whether the rumors about the closing of Vordingborg Barracks are true.

The defense minister called attention to the recent report of the defense command giving several plans for a defense system after 1 April 1981. Without pointing out that this report discusses three possibilities for forces, the minister continued:

"The analyses done have shown that in spite of rationalizations and simplifications, the present strength objectives cannot be reached with the volunteers that are available for the armed forces.

"To achieve the necessary relationship between the missions the armed forces have to accomplish and the economic means that can be expected to continue to be provided, certain reductions in the peacetime organization and a lower level with regard to strength objectives and accomplishment of missions cannot be avoided."

This is against the background that plans are being worked out for the closing of certain buildings, etc., the minister said, and added: "No position has been taken on the defense command's proposal concerning Vordingborg Barracks."

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CSO: 3106

HOME DEFENSE FORCE COMMAND TO GET NEW MISSIONS IN 1980'S

Copenhagen BERLINGSKE TIDENDE in Danish 26 Dec 79 p 9

[Article by Mogens Auning]

[Text] The Home Defense Force Command may be faced with a number of missions to accomplish within the overall defense system in the course of the 1980's. This can be seen from a plan for the defense system after 1980 that has been worked out by the Home Defense Force Command at the suggestion of the Ministry of Defense.

The plan assumes that the Home Defense Force will retain its present character with the main emphasis on voluntary personnel, and that the present organization will be retained. If missions are to be accomplished beyond those the Home Defense already has, it is necessary that there shall be new procurement of signaling equipment, antitank weapons, and vessels for Naval Home Defense.

The Home Defense Command calculates in the plan that the strength estimated as of 1 April 1981 at about 75,000 women and men, if the present recruitment for Home Defense continues, will be up to about 83,000 in 1988. The Home Defense Command's plan covers the needs and possibilities for the period from 1981 to 1989.

First on the Spot

The Home Defense Command considers that the increased recruitment of personnel affords the possibility of a more effective effort in the field of surveillance and antitank defense. One prerequisite for an increased effectiveness is that a planned expansion of the Home Defense School in Nymindesvej be carried out before 1 April 1981.

With regard to the accomplishment of the Home Defense's missions, the Home Defense Command says that it appears that the missions in connection with a crisis situation can on the whole be accomplished. But it is a prerequisite that the political decisions to put the Home Defense or parts of it on the spot are reached in time. The same thing applies to missions in

a real war situation. Here the Home Defense Command points out that the missions can be accomplished and are meaningful only when viewed against the background of the missions accomplished by the other components of the armed forces.

In the plan for a defense system the Home Defense Command analyzed a number of possible new missions for the Home Defense as well as a more effective accomplishment of the missions already assigned.

The mission on which the Home Defense Command places the highest priority is an arrangement that will make possible a gradual activation of the Home Defense in connection with a crisis situation. The Home Defense Command thinks that this mission may perhaps be carried out by the Home Defense's providing support in the reception of allied forces and in the carrying out of defense mobilization and concentration. There may also be a question of preparing for and carrying out sabotage planned in peacetime and of guarding and watching over especially threatened landing areas. In this connection the plan provides, in particular, that at a certain juncture the naval home defense vessels become a part of the waterways patrol and that home defense personnel man the short-range antiaircraft defense at air bases and heavier weapons in harbor defense.

New, Heavier Materiel

Among the matters that are proposed to make the reconnaissance service--Home Defense's principal mission--more effective is the procurement of relatively simple warning materiel.

For naval home defense it is assumed that participation in the waterways patrol can be furthered only by replacing older vessels with more up-to-date ones.

Lastly, it is proposed that the number of special reconnaissance patrols that the Home Defense Command has made available to the provincial commands be increased.

The Home Defense Command proposes that the reconnaissance missions be made more effective by the procurement of warning equipment, establishment of new institution companies for activities whose continued execution is important to the overall defense, expansion of the Home Defense's missions in connection with patrolling of the Navy's mobile units, and procurement of a number of anti-invasion mines. One prerequisite for a more effective patrol is the availability in the districts of mobile flying units to reinforce the patrol forces.

With the procurement of the "Carl Gustaf" jet cannon the Home Defense got an effective antitank weapon, and in this field the Home Defense Command proposes that additional Carl Gustaf cannons be procured for the mobile flying squads, as well as materiel for night combat in the form of flares and light-reinforcing telegraphic sights for jet cannons.

Missions Being Refused

With regard to Home Defense participation in the short-range antiaircraft defense of air bases and in harbor defense, the Home Defense Command can recommend it, provided the heavy materiel to be used is made available by the regular services and maintained by them. It also wants the training of personnel for the heavy weapons provided by the regular services.

The Home Defense Command [line or lines omitted at this point in source] that have been suggested for Home Defense, because it would not be possible to train volunteer personnel for them within the time frame with which the Home Defense must operate.

This applies in particular to Home Defense support to field fortification works for the army in the field and support to the medical and evacuation service. For the Naval Home Defense a proposal has been rejected that the Naval Home Defense personnel could supply navigators and mechanics for the smaller naval vessels and man missile-armed motorboats in the inner waters.

The Home Defense Command advises against an increase in the obligatory term of service in Home Defense. It seems likely that such a step would cut down on recruitment.

On the other hand, consideration is being given to a graduation of service time such that for certain categories of Home Defense personnel, e.g. for older personnel, the time would become less than the 24 hours a year that is now the minimum required by law. For other Home Defense personnel the service time might be increased voluntarily at the time of enlistment with a view to accomplishing the more demanding tasks that it is thought that especially the younger Home Defense members may assume.

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HANSEN, PURGED CP UNION LEADER, SAYS PARTY FEARS WORKERS

Copenhagen ARBEJDERAVISEN in Danish 19 Dec 79-2 Jan 80 p 19

[Interview with Preben Møller Hansen by BIA]

[Text] In an interview given to ARBEJDERAVISEN on the threshold of the 1980's, Preben Møller Hansen said that the DKP [Communist Party of Denmark] fears the workers. We wanted his views on the development of the DKP in the 1980's.

[Question] How do you appraise the development of the trade union movement in the 1970's?

[Answer] As far as democracy is concerned, the trade union movement developed in the negative direction. After we got into the EC and the crisis was heightened, the trade union leaders gave in to capital's demand for wage restraint. That line has created internal strife in the trade union movement, so that the reformist leaders have both threatened people with exclusion and actually excluded them--and that hurts the trade union movement.

1980's

[Question] Will that get still worse in the 1980's?

[Answer] In the 1980's the working class must realize that the union legal system obliges even progressive leaders to subordinate themselves to the system. Therefore, a nationwide organization must be established that can support the righteous struggle of the workers.

[Question] Is it possible to get a struggle under way? The working class, you know, has been pretty well rocked back on its heels.

[Answer] Yes, that is right, but under the surface there are forces that can develop. And we will not conceal the fact that the Common Direction Club is undergoing a powerful development.

Trade Union Movement and "Common Direction"

[Question] Is there nothing at all to be done in the existing trade union movement?

[Answer] Oh, the existing trade union movement can be changed, but it will take an enormous amount of activity, and that activity must develop outside the trade union movement. The activity developed will be used so as to eliminate the elements in the Danish trade union movement that have capitulated for ever. The Common Direction Club will be used to establish groups in all trade unions to get rid of those leaders.

[Question] Are the leaders only Social Democrats?

[Answer] The reformists in the trade union movement are the most prominent ones, but there are presumably unorganized persons as well who are essentially reformists. But there are also some who call themselves revolutionaries but are not, and of course they must also be removed.

[Question] Will you put a party name to them?

[Answer] No, I do not think that would be smart.

Corporativistic Development

[Question] Do you think that, for example, three-sided negotiations point in the direction of corporativism?

[Qnswer] I believe the LO [Danish Federation of Trade Unions] and the SD [Social Democratic Party], since they are advocates of the EC, will enter into negotiations with the employers, and thus jointly suggest that solutions can be found through three-way negotiations. But that is phoney; that does not amount to three-way negotiations; what that amounts to is that the wool is being pulled over the working class's eyes on directives from Brussels.

[Question] What does it mean for the DKP that Knud Jespersen has been replaced by Jørgen Jensen?

[Answer] Knud Jespersen was a strong union leader and political leader, who has made a place for himself not only in Danish history but in international history as a good socialist thinker and leader of the workers. His death weakens the DKP, but it is not a matter of his person alone; upon his death the part of the DKP that favors reform got control. They are now following a course of capitulation that is not far from what the SD stands for. The change of persons has meant a change of political course; there is a swerve to the right now.

Who in Hell is Thomas Nielsen?

[Question] Will the DKP split up in the 1980's?

[Answer] The right wing has an enormous hold on the party. But I believe the 10,000 party members will have their eyes opened and see that it is necessary to get rid of the people who see it as a great victory to get to talk with Thomas Nielsen. That alone is enough to reveal their inadequate understanding of the class struggle. Just that they shout hurrah because they have gotten to talk with Thomas Nielsen--who in hell is he?

This week end a trade union conference was held in the DKP, and reports indicate that the right-wing DKP'ers mean to continue the rightist course with a firm hand.

DKP Scared Stiff

[Question] What is your appraisal of the meeting Thursday in the KB Hall?

[Answer] The majority were feeling frustrated when they came out of it. It was clear that the DKP would at all costs prevent the shop units from making themselves heard. The leaders wanted to secure themselves a platform to gain political advantage--nothing more nor less.

The meeting was a manifestation of the fact that the DKP is scared stiff of the working class. The means resorted to were dictatorial and undemocratic. That is a sign of weakness. The DKP is afraid of the working class --otherwise it would let them be heard.

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LARGEST UNION ELECTS NEW LEADER, HARDY HANSEN

Copenhagen BERLINGSKE TIDENDE in Danish 20 Dec 79 p 13

[Article by Birgitte Henrichsen]

[Text] Anker Jørgensen and his new crisis plan without ØD [economic democracy] indirectly came to cost the top candidate for the chairmanship of the SiD [Semi-Skilled Workers' Union] the post as leader of Denmark's biggest trade union.

When Poul Christensen, the central committee's candidate and acting chairman until yesterday, chose to support Thomas Nielsen in the dramatic showdown the other day, he thereby came to say goodbye to an otherwise certain election as chairman.

Pressed

Directly contrary to all expectations, the extraordinary congress of the SiD yesterday elected the former chairman of the factory and industry group, Hardy Hansen, its new chairman. He got almost twice as many votes as Poul Christensen. It was the first time since Anker Jørgensen became chairman in 1968 that the SiD had had to have an election contest for the post.

Hardy Hansen had been put up by the central committee for vice chairman after a vain attempt by the factory and industry group to get the central committee to choose him as candidate for chairman. Out of loyalty to the central committee, Hardy Hansen refused twice to let himself be put up in opposition to Poul Christensen. But strongly pressed by the delegates and finally by Poul Christensen as well, he let himself be persuaded. Although the delegates elected him in protest against the government's plan, Hardy Hansen takes exactly the same line as Poul Christensen on that question.

Lack of Confidence

Poul Christensen took the defeat as a vote of lack of confidence and for that reason did not want to be nominated for vice chairman. The other candidate for that post, publicity secretary John Mølgaard, for political reasons did not want to be nominated, either, when Hardy Hansen had become chairman.

"The lack of confidence that the congress has shown in me," said Poul Christensen after the congress, "is due to many things. I was in a tight situation during the time I was occupying the posts of vice chairman and acting chairman. I did not have time to inform the rank and file membership properly about why the SiD chose to back Anker Jørgensen up. We never wanted this new crisis plan, but when the alternative was an election I accepted the plan with the full backing of the executive committee of the union," he said, and emphasized that in spite of everything the trade union movement gained something in the government's new plan: a tax reform, a cost of living fund, and a reasonable social balance. The SiD has figured out that although real wages in general will go down by 5 percent next year, the lowest-paid, many of whom are members of the SiD, will get a raise of 1 percent.

Change of Generations

"Without wishing to disparage our members' intelligence, I do not believe they understood the situation and the alternative involved," he said.

The nearly 800 delegates to the congress elected Ib Scheide, 42 years old, previously negotiator for the Gardening, Farming, and Lumbering Group, as vice chairman of the SiD. The new chairman is only 46 years old, and so a change of generations has been carried out in the union. Hardy Hansen becomes one of the youngest chairmen ever, only 20 days older than Anker Jørgensen when he was elected. The delegates were afraid of electing another chairman who would only be able to hold the office for a short time. The loss of two chairmen, Erik Bording and Knud Ellegaard, within only 6 months has weakened the union's activity.

Uncompromising

Another motive among a number of delegates was that they felt that the election of the chairman and vice chairman had been arranged by the central committee in advance.

Hardy Hansen is regarded as a Social Democrat nearer the center than Poul Christensen, who has views representative of the right wing of the party. But at the same time he is a warm advocate of the EC, NATO, and introduction of atomic power in Denmark. On the other hand, both in union and political matters he is more on the somewhat uncompromising, traditional workingman's line. Hardy Hansen, who was originally a Falck salvage-corps man, was chairman of the Nysted branch from 1970 to 1973, a member of the city council of that city from 1966 to 1972, and has been manager since 1972. He is also chairman of the SiD's committee on the environment.

An indication of whether the big union will change its course with regard to the government's plan will be given today, when the SiD holds a board meeting with chapter chairmen as participants. The findings of that meeting will serve as guides for the work of the central committee. But it is probable that the decision to back up Anker Jørgensen will be confirmed when Poul Christensen gets an opportunity today to report on the union's position.

SEMISKILLED WORKERS UNION CONTINUES SUPPORT OF PRIME MINISTER

Copenhagen BERLINGSKE TIDENDE in Danish 21 Dec 79 p 11

[Article by Birgitte Henrichsen]

[Text] The Semi-Skilled Workers' Union [SiD] is changing course, but continuing to support Anker Jørgensen against Thomas Nielsen.

The speeches at the SiD board meeting yesterday did nothing to lessen the punishment of Poul Christensen, top candidate for the post of chairman of the union, who surprisingly suffered a big defeat at the extraordinary congress Wednesday.

Discontent

The central committee of the SiD is holding a meeting today, partly to discuss the political situation against the background of the guidelines the committee got at the board meeting yesterday. As far as BERLINGSKE TIDENDE can learn, it does not appear that the big union is shifting course. The SiD is continuing its support of Anker Jørgensen--and in so doing the union is choosing to disavow Thomas Nielsen, chairman of the LO [Danish Federation of Trade Unions], who is still furious that the government has chosen to drop ØD [economic democracy] this time around instead of calling for elections.

Yesterday's board meeting has no competence to make decisions or adopt resolutions. The meeting, which is held about once a year, is supposed to be a guide to the work of the central committee between congresses.

It was Poul Christensen--until yesterday acting chairman--who presented the report. He revealed among other things that the union's opposition to the SV [Social-Democratic-Liberal] government was founded on increasing dissatisfaction among the rank and file members. "The political development under the SV government meant that more and more discontent was developing among our membership because under the veto right contained in the coalition agreement it was not possible for the Social Democratic Party to maintain its political profile. The elections would mean an end

to the collaboration between the Social Democratic Party and the reactionary Liberals that is so mortally dangerous to the trade union movement," he said.

Poul Christensen emphasized that there was an overwhelming sentiment in the executive committee of the LO for rejecting the revised overall solution, with the result that an election would be called for in January. "But it is the view of the labor committee of the SiD that this would be a worse solution. We have no doubt that an election would involve very great risk of gains for the non-socialist parties and consequently a non-socialist government. Such a result would obviously mean first of all a great encroachment on the wage structure, and secondly that reforms--which, after all, are contained in the overall solution--would be postponed," said Poul Christensen.

Smear Campaign

"It is clear, of course, that the revised overall solution is a strong attack on wage-earners, but it is my view that other economic groups also contribute to a great degree, and this is also apparent from the smear campaign that has been launched against the overall solution by business, the employers' association, and the big bourgeois parties," he said.

Meanwhile the LO leadership--personified in Thomas Nielsen, continues to be dissatisfied. An editorial in the coming number of LO-BLADET, for which the LO chairman is responsible, runs in part as follows: "The clear promise that the government gave the wage-earners and their organizations about an excess profits distribution in exchange for wage restraint could not be kept. That is the background for the disappointment that the wage-earners' organizations have had to express in this situation. This has further weakened the relationship of confidence between party and trade union movement."

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NEW TAX MINISTER HJORTNAES HAS KEY ROLE IN CRISIS PLAN

Copenhagen BERLINGSKE TIDENDE in Danish 7 Nov 79 p 1 (Part II)

[Article by Solveig Rodsgaard: "The Tax Minister Tax Case"]

[Text] Is Tax Minister Karl Hjortnaes sitting safely in his seat in the ministry? This will become clear today when parliament has its big political debate, which will also include an attack by the opposition on Prime Minister Anker Jorgensen for appointing a tax minister who has an old and for many a somewhat unclarified tax case outstanding. A case which the assessment council has referred to as "gross negligence."

At the same time the Conservatives have made an inquiry to the prime minister about the background for the appointment of the minister in spite of the assessment council's decision on the tax minister's case.

Karl Hjortnaes himself does not want to make any public statement about the tax case and has never done so. But he mentioned it to the prime minister the day after the election when he was encouraged to become tax minister. Fellow party members do not hide the fact that Anker Jorgensen hardly cares about the old case. It will therefore take more for the prime minister to fire his tax minister. And it may become difficult for the opposition to get together a majority for a lack-of-confidence agenda to the minister.

The 45-year-old tax minister and attorney, who politically belongs to the left of center, a former convinced EEC opponent, was minister of justice for a few months before the election in December of 1973. He left parliament after the Social Democrats' catastrophic election. He got into parliament again in the election in January 1975 and became chairman of parliament's Tax and Fees Committee.

Building Account

And the tax case? Karl Hjortnaes submitted his tax returns for the tax year 1974 through 15 February 1975. He was busy building a house in Horning near Aarhus. The building account had not been concluded, and Karl Hjortnaes therefore asked whether he should ask for an extension for submitting his income tax return or whether he should submit the income tax returned signed

together with the papers for the building. According to Karl Hjortnaes, the latter was agreed upon between him and Horning's tax inspector on the telephone. The tax inspector now says that he cannot remember the telephone conversation, but neither can he deny that it took place.

When the income tax return and the building account were examined, Karl Hjortnaes's tax return was increased by just 30,000 kroner, which corresponds to an additional tax of approximately 12,000 kroner. A final decision was made in the fall of 1975, and since Karl Hjortnaes had paid taxes in advance, he got money back.

Surprised

So there was quiet on the tax front until March of 1976. Then the chairman of parliament's Tax and Fees Committee received a report that his tax return was now being processed in the National Tax Directorate.

It is no exaggeration that people who know about Karl Hjortnaes and the tax case say that he was highly surprised. He had not heard anything at all from the tax authorities. Neither had he been asked for an explanation, and he therefore believed that the tax return with the building case had been concluded with the final settlement in the fall of 1975.

However, in May of 1976 Karl Hjortnaes quit his job as chairman and as member of parliament's Tax and Fees Committee, because his case was being processed. The case was also debated in the Social Democratic group administration, which takes tax violations seriously. A minority in the administration, including Anker Jorgensen, believed that Karl Hjortnaes should leave parliament. The compromise was to eliminate the job as chairman of the committee while the case was being processed.

Gross Negligence

Karl Hjortnaes was then confronted with a report from the assessment council. The improperly filled-in tax return with the building case was characterized as a serious violation of the tax control law.

There are three categories of violations. The first category is general carelessness, which results in payment of the tax plus a fine equal to the tax. The second category is gross carelessness ("people should know better"), with payment of the tax plus one and a half times the tax in fine. The third category is tax fraud ("deliberate tax fraud") with payment of the tax plus three times the tax in fines or jail.

Karl Hjortnaes did not want to accept the decision by the assessment council. The late payment, the 12,000 kroner, had been made in the final settlement in the fall of 1975. But he did not want to pay the fine of one and a half times the late payment, or 18,000 kroner, because if he did so, he would have accepted the decision by the assessment council, and that would have been political suicide for him.

Then the case went to the police, who issued a charge document, which was sent to public prosecutor Uno Valbak. The public prosecutor came to the conclusion that because of the rule about the burden of proof, the assessment council would probably not be able to win a case in court.

The assessment council received that report in November 1976. There was a 2-month deadline for submitting it to the council. The majority in the assessment council did not want the public prosecutor to file a charge against Karl Hjortnaes, so that the case might end with a sentence. In December of 1976 Karl Hjortnaes again became chairman of the committee.

So from January of 1977 Karl Hjortnaes did not believe that the case existed any more. But he got his eyes open when he was appointed tax minister.

A Case about Principles

The case is considered by members of parliament to be very much a case of principles. Hagen Hagensen, Conservative member of parliament's Tax and Fees Committee says: "There is no reason to assume that a person who has paid late taxes cannot have public office. It depends upon the nature of the case. But if a person has had to admit serious, careless conditions with late payment and fines, he cannot be a member of the assessment authorities or the state taxation court."

Differences in Treatment?

Has Karl Hjortnaes as a well-known politician received a different treatment because he refused to pay the fine and let the case go on and nothing happened?

State Tax Director Hans Westerberg would like to pour a little oil on the water even though, of course, he cannot say anything about the case of interest with Karl Hjortnaes.

"Even if we try to go through the cases thoroughly even for the more summary treatments at the lower levels, there is probably a tendency for a case to get more publicity when it gets higher up. This may appear to be differential treatment, but I do not believe it is. Of course, we also know the situation in other areas, for instance, a case decided at a lower court probably does not get as much publicity either in principle as a case decided by the Supreme Court."

8958

CSO: 8113/0319

GOVERNMENT BLUNDERED IN ASSIGNING NATURAL GAS CONCESSION

Stockholm DAGENS NYHETER in Swedish 5 Nov 79 p 5

[Commentary by Mervin Kube: "The Danish Government's Dumbest Deal. Private Company Cuts Gold in North Sea Gas"]

[Text] The biggest and the dumbest deal in the Danish Government has ever made! Now the Danish consumers are forced to pay enormous profits to a private consortium. This is the hard judgment by the critics on the market agreement which the Danish Government has concluded on the purchase of natural gas for 25 years—from its own territory.

The seller of the natural gas: Danish Underground's Consortium (DUC). The consortium is led by A-P Moller—Denmark's Wallenberg, who owns 30 percent of the shares. The participants are multinational oil companies, Shell (40 percent), Texaco (15) and Chevron (15).

The buyer of the gas: Danish Oil and Natural Gas (DONG), which is owned by the government. It resells the gas to 600,000 households through middlemen. This is how many houses will be heated with natural gas. Finally there will be compulsory connection according to a new law.

Gold Mine

The price of natural gas: secret. But the government promises that the consumers will not have to pay more than what the oil will cost.

Estimated profit for the Moller consortium: approximately 100 billion kroner in 1979 kroners for 30 years

The DUC consortium namely owns a goldmine in the Danish North Sea up to the year 2012. There are at least 150 billion cubic meters of natural gas there. During 25 years starting from October 1984, 55 billion cubic meters of North Sea gas will be delivered to Denmark.

The delivery will take place 250 km out at sea on a gas platform. The Danish Government must therefore now over 4 years build a gas network,

including a pipeline system under the bottom of the sea. The costs are estimated at 7 billion, but it will probably cost considerably more. In addition to the natural gas the consortium has a concession for large raw oil resources in the Danish North Sea. They are expected to be large enough to cover an annual requirement corresponding to 25 percent of Denmark's oil consumption today. This will last at least beyond year 2000.

Promise of Silence

Denmark has no guarantees that it can buy its oil itself. On the other hand, since the beginning of 1979 there is an agreement about deliveries of natural gas.

This agreement is in important parts secret with regards to the price. A public summary shows that there was a base price for the first quarter of 1979. This was approximately 33 Danish ore per cubic meter of gas. There is also talk about a bottom price of 27 ore. The base price is tied to a so-called mixture of international oil prices. One of the six "index prices" is the spot market in Rotterdam.

What additional increases there are and how the mixture of the various oil price components is calculated are thus secret. The members of the Danish parliament can study this against a promise of silence, to the extent that they understand the formulas

Two Blunders

The Danish politicians have made two inexcusable blunders:

They gave a monopoly for searching for oil and natural gas to one single company, for 50 years and against a royalty as low as 8.5 percent (the Norwegian government, for instance, takes 25 percent).

In one government report after another they wrote, reassuring the consumers, that the natural gas would not have to become more expensive than oil.

"It was like tying the trap around your own neck," say critics of the agreement.

Now the consortium, without any relationship to the actual costs, can just scoop the gold in from the North Sea.

Nationalize

A couple of weeks ago, just before the election, the Danish Communists revealed in a motion in parliament what the Danish state must pay for the gas in the North Sea. Those who introduced the motion claimed the price was 65 Danish ore per cubic meter of gas at 1979 prices and presented a profit calculation. They claimed they had made this calculation on the

basis of data from the American consulting company which the Danish government had called in as an expert in the negotiations on the gas agreement

The conclusion by those who introduced the motion: the consortium will in 30 years earn 90-140 billion Danish kroner in 1979 kroner. Those who introduced the motion demand that the natural gas and the oil be nationalized.

But they were thrown out of parliament in the election. And the new minister of trade in the government, Ancker Jorgensen, is expected to bury the uncomfortable paper in some office drawer.

Oil Giants

"Political slander," says the information chief in A-P Moller in a comment on the figures. "The consortium has so far invested 4 billion kroner and has only got one billion back," says he.

But the Danish experts that DAGENS NYHETER talked to believe that the calculation is relatively reliable.

It was the now-deceased shipping owner A-P Moller, a self-made man, who in his eighties made the Big Cut. He made sure that the company in 1962 got the concession for all oil and natural gas inside Denmark's land and sea boundaries.

When A-P died, his son Maersk McKinney Moller inherited most of the imperium (boats, wharves, businesses, drilling towers). From the beginning he had been fairly uninterested in his father's oil business, but then he realized what mountain of gold he was sitting on. He called on the oil giants to share in the loot and the risks.

The extreme left in Denmark demands that the whole lot be nationalized. How could you do anything so stupid? Many Social Democrats are wondering. It was Minister Jorgensen who this spring signed the agreement. The negotiations were led by Minister of Trade Arne Christiansen (Liberal).

8958

CSO: 3109

GOVERNMENT, OPPOSITION DISCUSS AFGHANISTAN, RELATED ISSUES

LD241836 Hamburg DPA in German 1637 GMT 24 Jan 80 LD

[Excerpts] Bonn--Discussions lasting 2 and 1/2 hours between Federal Chancellor Helmut Schmidt and the leaders of the opposition CDU and CSU parties on the world political situation following the Soviet march into Afghanistan and the consequences of this for the Federal Republic ended this afternoon.

After the meeting, Helmut Kohl stated that there had been an exchange of views, information and proposals. They had agreed to keep the content confidential. The Federal Government had put forward a careful analysis of the situation and the opposition had put forward its assessment. Kohl described the meeting as informative, but not spectacular. He said it was the normal procedure in a political crisis. He thought the talks would be continued if the situation demanded it.

According to the CDU chairman, they agreed that not only the more specific centers of crisis like Afghanistan and Iran, but also bordering states like Pakistan and Turkey, were to be included in assessment of the situation. The CDU/CSU emphasized that particular attention should be paid to aid for Turkey.

According to the opposition leader, the talks also served to test the parties' willingness to help bear some of the burdens in coping with the crisis. The CDU/CSU confirmed its stand on the issue of the Olympics. The CDU/CSU came out in favor of a boycott of the Moscow games if the Soviets do not withdraw their troops from Afghanistan.

After the talks, Strauss stated that the information given by the Federal Government had been very open and comprehensive. It was therefore correct to agree to confidentiality. He said that the course of the talks had been marked by both sides' good will to keep one another informed.

On the question of an Olympic boycott, Strauss said the final decision would depend on the final position of United States of America.

SPD, FDP RENEW LEADERSHIPS AS NORTH RHINE-WESTPHALIA VOTE NEARS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Dec 79 p 12

[Article by Lothar Bewerunge: "A Coalition Pats Itself on the Back. SPD and FDP Programs for the Landtag Election in North Rhine-Westphalia"]

[Text] After 5 years the citizens of North Rhine-Westphalia can once again have a say about the politics in the Land. For that is how long the legislative periods hereabouts last. The SPD and FDP, which have been a government alliance in Duesseldorf for 13 years now, have renewed their offer of leadership in a timely manner. In 1978 the SPD prematurely removed government boss Kuehn, who had served for many years, from the race in order to be able to display new Minister President Rau with an office plus. It also presented new ministers of finance and agriculture. Halstenburg and Deneke's cabinet seats were taken over by Posser and Baeumer. The FDP changed leadership one-half year before the Landtag election in May 1980. After relieving Riemer completely of political power, Minister of the Interior Hirsch became Land chairman and former Bundestag Vice President Ms Funcke became the new minister of economics in Duesseldorf. For the third time the CDU is sticking with candidate Koeppler, who this time is receiving unlimited support from Biedenkopf, who has declared himself ready to join a Koeppler cabinet as minister of economics.

All the parties are again working on problems. With the publication of their "papers," the SPD and FDP got a few days headstart on the CDU. Yet speed does not always mean better quality. This is clearest in the case of the Social Democrats. They represent things as if they had already taken care of the problems of the Land in the past decade. It is easy to pat oneself smugly on the back if, in the face of the pressure to interpret one's own government as extremely successful, there are scarcely any concrete problems to present. This is clear, for example, in the program statement which was also supported by SPD Land Chairman Rau: "Like Heinz Kuehn, Johannes Rau is a recognized and successful minister president." But perhaps many people recall under what oppressive circumstances Kuehn was removed from office and how much trouble Rau had in prevailing against his competitors, Farthmann and Posser.

But the SPD is also not afraid of statements which provide clarity in some areas. Nuclear power plants are no longer being built in North Rhine-Westphalia. Industry and producers of electricity now know where they stand. Coal has absolute priority; it makes no difference how expensive coal is in supplying electricity in the conventional way or with the new refining techniques of gasification or liquefaction, which are still not at all competitive on the market. In the future, comprehensive schools will rank ahead of the present differentiated school system, to the extent that parents wish it. There is no question that the SPD and FDP--in this they are in complete agreement--are encouraging this parental will with attractive equipment extras for the new unified school system and will thus be trying to guide it into the desired direction. The "co-op school" disaster of 1977 seems to have been forgotten or repressed.

But some things in the FDP program are such a failure that they fell victim to ridicule. One of the key statements on energy reads as follows: "The best alternative and at the same time the surest energy is energy saved." That might well conceal a method, which has been carefully kept secret, as to how in the future electricity can be stored and be kept in good supply. In regard to traffic policy there is actually only one statement: "One road less can be more than one road too many." Such statements of intelligence conform to the time-tested thesis that at night it is always colder than outside. But Rau is not supposed to be successful with such aphorisms. Rather, as the SPD says, he must remain minister president so that the chancellor will remain chancellor. It used to be that Kuehn also had to be repeatedly upheld so that Brandt would be guaranteed as chancellor. Therefore, the Duesseldorf coalition takes its position in 1980, too, to be one of troops protecting the flanks of the main army in Bonn. The desire to stay in power is legitimate. But that must not serve the interests of the Land in a forced manner.

In the case of the FDP the voters are being officially called up for an antivote. The FDP cannot directly cause voting for the chancellor. Thus, as far as they are concerned, Strauss looks like a power-mad Cyclops who practically threatens the existence of the FRG. In relevant passages, the FDP complains even more vigorously than the SPD about the increasing bureaucratization in state, government, business and community life, a phenomenon which both government parties, after three legislative periods, will surely explain in their voters also in terms of the reasons. It is because of Hirsch and Count Lambsdorff that the constitutional state, the market economy and the policy on order in the FDP are still written in capital letters. The parties in the alliance are very far apart, for example, in the question of what parts of the new program involving billions for the Ruhr district are subsidies and which are investment aids, the question of what is helpful to the change in structure and what will cement more strongly the relationships which are outdated anyway. Yet the total of the area of conflict in which the SPD and FDP want to demonstrate to the voters their respective independence has been kept very modest even for 1980. That absolutely cannot be otherwise if they certify one another as having worked well and promise another 5 years of loyalty to the alliance.

In the Duesseldorf coalition the dominant doctrine is that chancellor and federal government will either be saved or will fall with the result of the election in North Rhine-Westphalia. In Bonn the connection will not be seen as being so direct. But for the purposes of the greatest possible mobilization of their voters in the Land such dramatics come in very handy, especially for the SPD. Both parties are devoting much more comprehensive statements to environmental protection and a humane world in which life is worth living—more so than they did in 1970 or 1975. In this we can recognize the fear of the "Greens" who want to establish a North Rhine-Westphalia Land association. The uncertainty in this is greater with the FDP than the SPD. Actually the difficulties in the Land are not even cleared up by the fact that the coalition does not want to build any more nuclear power plants. The consequence will be that new coal powers plants must be authorized. But that will result in pressures to take action and make decisions. For there are large numbers of proposals to build coal power plants in hand. The Rau government has been dawdling along with a "dump full of authorizations." Thus, Rau will have to do something. Because the fact that a little electricity less is better than some electricity is absolutely not in his platform.

12124

CSO: 3103

CAUSES, REMEDIES OF POOR MILITARY MORALE VIEWED

Hamburg DER SPIEGEL in German 31 Dec 79 pp 28-9

[Text] Soldiers are complaining about long hours and authoritarianism; officers complain about not being able to get ahead. Defense Minister Apel hopes to use a DM2 billion program to create new jobs.

There is an old army joke which says that morale is good, so good in fact that it surpasses performance by far. But that joke doesn't apply at this stage of the game. Bundeswehr morale is "decidedly poor these days" was the way Defense Minister Hans Apel put it. And, as for the performance level of the "best army in Prusso-German military history," as Chancellor Helmut Schmidt has called it, too, is beginning to taper off.

The draftees are complaining about what they call excessive authoritarianism, chicanery and coercion. Their favorite reading matter in the barracks now is a study entitled "Soldier 80" in which 65 recruits give vent to their feelings about make-work details, by-the-book bed and barracks checks as well as "lousy pay, high prices in the mess hall and poor recreation facilities." What the authors of the study are saying in effect is: "We may be of age when we reach 18--but whether we can keep the top button of our shirt open or not is a matter our superiors decide for us."

Even the newly appointed Inspector-General Juergen Brandt had to admit not long ago that their complaints were justified. In a letter to commanding officers, he told them to take the "necessary strong" steps to combat humiliating GI rituals and abuse and to increase personal contact with their subordinates.

The changeover from civilian to military life, the general said, is particularly "pronounced and harsh" for the young people of today because they are accustomed to far-reaching codetermination privileges in school and at work. "We simply cannot consent to rude language and insulting behavior on the part of superiors, to impersonal routine, to formalism without feeling or to indifference toward the draftees personally, toward their interests and problems," Brandt said.

But, not only the draftees are up in arms; the officers and noncommissioned officers are becoming increasingly dissatisfied and frustrated. "The morale problem has reached a very critical point," a spokesman of the Bundeswehr Association said.

This largest group representing soldiers interests is receiving more and more petitions and complaints; more and more professional soldiers and volunteers are asking under what conditions they can shed their uniforms and get back into civilian life.

According to the Bundeswehr Association, the reasons for the soldiers' discontent are easily explained: they have to work long hours (77 percent of all soldiers work more than 50 hours per week); they are frequently transferred (every 3 to 5 years on the average). One well-known complaint in the Bundeswehr is: "Father gets transferred; child gets to repeat same grade." And as for the bottlenecks in promotions and career possibilities generally, these tend to lead to aggressions and anxieties which, more often than no, are drowned in alcohol.

Even today the Bundeswehr still has to contend with the heavy losses of the German Army in World War II. In the 1925 to 1933 age bracket there are 3,000 officers too few; but in the 1934 to 1944 bracket there are 4,700 too many. Having been moved up into high positions too fast, these 35 to 45 year-olds are blocking the chances of younger officers for advancement.

As a consequence, there are many complaints among the officers about the increasing superannuation within their ranks. Already today 42 percent of all line officers are over 40; by 1985, they will make up 60 percent and by 1990, 75 percent.

These many elderly gentlemen, Inspector-General Brandt concluded, are having a detrimental effect on the state of preparedness of the armed forces. A regular army company commander should not be over 35 and a battalion commander no older than 45, if he wants to keep pace physically and mentally with the 20 year-olds under his command.

Plans are, Apel said, to solve the problem by stages, creating new staff and planning group positions. The proviso is that the finance minister is willing to cooperate because Apel's 20-year program will require funds totaling more than DM2 billion.

The defense minister already speaks of dire consequences in the event Matthoefer's ministry shoots his plans down: Exclusively career-oriented thinking would soon erode the "comradeship indispensable for an officer corps"; imagination, drive and willingness to assume responsibility would fall by the wayside.

As for Apel's predictions for the future, former Inspector-General Ulrich de Maizi'ere says the future has already arrived. In a 163-page report

prepared for the minister, the retired general came to the conclusion that the Bundeswehr has too many weapons and too much gear--not too little and that it is being swamped with assignments while its personnel level remains the same.

Superfluous controls, inspections and report procedures, says the former general, lead to me-too and don't-rock-the-boat attitudes; training, leadership and motivation of the troops go by the board in the process.

De Maiziere's bottom line: "My investigation leads me to conclude that the Bundeswehr may be functionally and technically efficient, but that the interpersonal climate in the armed forces is cooler and has in some instances grown cold. Experience in war teaches us, however, that the individual is of greater importance for the military value of a unit than technical perfection."

9478

CSO: 3103

ACTIVITIES OF ISLAMIC TURKISH GROUPS NOTED

Hamburg DER SPIEGEL in German 31 Dec 79 pp 60-61

[Text] Moslems in the FRG demand official recognition as a church, including the right to collect taxes. Diplomats express fear of strained foreign relations; unionists foresee social conflicts.

Down in the mine the union boss sees the dark side.

"I am afraid of Moslem religious fanatics and German miners locking horns," Adolf Schmidt, the chairman of the miners and energy workers union, says. In the Ruhr coal mines where 20,000 Turks are at work there is a threat of "re-Islamization." Schmidt therefore feels the Turkish mine workers "must not become a majority."

There have been no real fights yet; but the atmosphere is tense. Sometimes it is Turkish Moslems unwilling to undress and take a shower together with their infidel coworkers and sometimes a few of them will return their union card because they seem to think that the Koran is enough of a guidebook for the working man. "The hodzas and mullahs are getting stronger all the time," Schmidt says.

The Prophet is also gaining ground in the automobile industry these days. In Sindelfingen in Swabia, for example, Moslem zealots kept Turkish union members from distributing the DGB papers--they felt they were much too secular in their outlook.

German union leaders, among them Heinz Richter of the DGB Presidium, are becoming worried about a "Moslem state within a state" comprising the 1.4 million Moslems living in the FRG--1.1 million Turks, about 1,200 Germans and others--who might live by the surahs of the Koran and nothing else. In a letter to Minister President of North Rhine-Westphalia Johannes Rau, a colleague of Richter's, Karl Schwab, warned that the possibility of "open religious terror exerted against Turkish citizens" could no longer be excluded.

As a consequence of Khomeyni's expulsion of the Shah, says Yilmaz Kaharazan, the foreign workers' adviser of the metal workers union, "religious zealots

have been forging ahead" in West Germany, too. It is the Suleimancilar movement above all which feels called upon to lead the pious renewal. This sect, outlawed in Turkey, is trying to gain equal status with the large Christian churches and the Jewish religious community from the government. They have been joined by the reactionary Noordschuluk group, which advocates a return to the Caliphate, and by the 120,000 members of the Yugoslav Moslem community.

The Suleimanlis have established mosques and prayer halls throughout the FRG, e.g., in an old movie house in Duisburg-Bruckhausen or with a tubular steel tower functioning as a minaret in the Hessian town of Allendorf--for a total of 133 congregations and 160 prayer halls. The Mecca of the movement is on the Rhine, the "Cologne Islamic Cultural Center" to which, by its own estimate, "more than 60 percent of all Islamic religious communities" in the FRG belong.

Just how many members of the sect there really are "we can't tell for sure," the spokesman of the Turkish Embassy in Bonn, Can Evcen, says. Any Turkish government employee adhering to the teachings of Suleiman Hilmi Tunahan "is given the boot"--which amounts to a Turkish version of our own radicals law.

Tunahan (1888-1959) represents a big step backward. According to the Turkish Meydan Larousse, "this roder holds the Koran to be the only true source" and recognizes "no other law and no other precepts." Women are supposed to see absolutely nothing except the 6,236 verses of the Koran and the Latin alphabet is to be abolished.

In the West, the Suleimanlis are using children to further their aims. At any one time, 8,300 little Moslems between 3 and 12 years of age, strictly separated by sex, are attending the Koran schools run by the Tunahan disciples. The Hodzas, i.e., scripture teachers, will sometimes cane the Turk kids, if their Arabic doesn't come up to snuff.

The Association of Turkish Teachers in North Rhine-Westphalia says that propaganda for the Fascist MHP party has been part of this type of religious instruction. The movement, Kaharazan says, "makes a show of being nonpolitical--but in truth it is shot through with rightwing extremists."

The head Imam of the Hamburg Suleimancilar branch, Harun Resit Tuyluoglu, comes out in defense of the Koran courses: the children are merely being prepared for "saying their prayers" and as for the accusation by the Federal Office for the Protection of the Constitution that they are a center for Fascist activity, that is plain nonsense. Quite the contrary: fellow Moslems have on occasion accused the Suleimanli of "Zionist intrigue."

Now that surely is a tale from 1,001 Nights. The Imam himself has been heard to say that it has always been their aim to "show the vile faces of the Jew-servants to the Islamic people."

This association, which pledges allegiance to freedom and democracy is now trying to gain official recognition as a public charter corporation in the Turkish province of North Rhine-Westphalia. Now that would really set them up: they would speak for the third-largest religious community beside the two large Christian churches.

If they got what they are asking, the Moslems could--as the Duesseldorf Ministry of Culture informs us--collect "church taxes based on their own ordinances" from their "coreligionists" and the state finance offices would have to help them.

The ministry types, who are working on a bill to submit to the Landtag, say they are operating in a "total vacuum." They cannot tell whether the Suleimanli really represent the world religion Islam in Germany or whether they are merely dealing with a radical minority. The Moslems, at any rate, have a rather potent group lobbying for them. The "Ecumenical Contact Offices for Non-Christians" of the Catholic Church have thrown their weight behind the Moslem group and even the Freemasons, e.g., their lodge "Forward," are putting pressure on Minister President Rau "to expedite and to approve the petition brought by our fellow citizens."

Could be the Prophet isn't nearly as welcome in Bonn. The German Embassy in Ankara has already issued a warning to the Foreign Ministry and the DGB has expressed its fear of "serious problems in the field of foreign relations."

9478

CSO: 3103

COALITION PARTNERS AGREE ON OUTLINE OF TAX CUT

Conn DIE WELT in German 19 Dec 79 p 1

[Article Peter Gillies: "Coalition agrees on Tax Package"]

[Text] In a three-year plan the SPD and FDP government parties want to return about DM17.5 billion to taxpayers in 1980, 1981 and 1982. The coalition leadership reached agreement yesterday, with the chancellor presiding.

It is still open in what form the tax relief will be put into force because the CDU/CSU--whose agreement is urgently necessary--already presented a tax package last week which deviates in several ways from the government's plan.

The SPD and FDP agreement has the following key-points:

--Relief is to be provided primarily to those with small and average incomes. To do this, from 1981 on the range with the constant tax rate (22 percent) is to be extended, specifically from DM16,000 to 18,000 annual income for unmarried individuals and from DM32,000 to 36,000 for married couples. At the same time the steep tax progression which sets in at that point is to be flattened out somewhat. This will be favorable to those whose income is as high as DM60,000 (unmarried individuals) and DM120,000 (married couples).

--Also from 1981 on families with children are to receive relief. To do this, a basic tax-free children's allowance of DM1,600 per child is guaranteed. In this matter Matthoefer prevailed in the SPD over his fellow party members who had demanded an increase in children's allowances with income limits. The child care allowance of DM1,200 per child which is not to take effect until 1981 is to be dropped, although the CDU/DSU nonetheless emphatically advocate its retention. One year later--that is, 1982--the state is to pay DM300 for every newborn child for the first 6 months following birth. This would be beneficial to the mother who is not employed because mothers who work already receive a motherhood allowance.

--At Christmas of next year the tax-free allowance for workers for Christmas money is to be increased from DM400 to 600. There is no dispute on this among the parties.

--Finally, the package contains several relief measures for the economy, for which primarily the FDP had pressed. In this it is a matter of modest relief in respect to taxes which are independent of yield and a question of increasing the advance deduction for the self-employed in respect to old-age provisions, an increase to DM3,000 for unmarried individuals and DM6,000 for married people.

With their resolution the coalition has confirmed that there will be no sweeping tax reduction in 1980, apart from the increase in the tax-free Christmas allowance. Rather, vigorously rising tax revenues are to be used to decrease the high level of new debt in the FRG. The mountain of debt was also the reason why Matthoefer pressed to keep the government's burden of the tax package under DM6 billion (for 1981). The federal government finances only DM8 billion of a total of all measures which amount to DM17.5 billion.

The CDU/CSU, in a first reaction, called the resolution of the coalition an "expression of the bad conscience" about the fact that the SPD and FDP rejected tax relief measures in 1980.

12124

CSO: 3103

LAMBSDORFF VIEWS CHANCES, RISKS FOR ECONOMY

Duesseldorf WIRTSCHAFTSWOCHE in German 17 Dec 79 pp 10-11

[Interview with Minister for Economics Dr Otto Graf Lambsdorff: "We Are on the Right Track"]

[Text] As we enter the 1980's, there are two points worth noting: on the one hand, the German economy has a good starting position due to its positive performance during the past year and its moderately optimistic expectations for 1980; on the other hand, most of our partners have suffered a business downturn and there is uncertainty about the future of the world economy.

The world economy is in a state of transition, so as not to say a state of flux. The following catchwords give a good indication of this: a new oil crisis; increase in the world inflation rate; shifts in distribution favoring the oil-producing countries; worldwide structural changes; tendencies toward protectionism. The world economic situation is characterized by the fact that Japan is still expanding to some extent, but that the upswing in Western Europe has slackened and that there are unmistakable signs pointing to a recession in the United States.

This assessment of the world economy, however, cannot lead us into believing that we can go it alone economically. In view of the interdependent nature of the world economy and of German dependence on it any such attempt would be doomed to failure. In fact, it will be particularly important under the circumstances to devote even more attention to the EC, one of our primary partners on the world market--the more so, if it should expand with the addition of Greece, Spain and Portugal. But before this happens, a further integration and a change in agricultural policy and financing must be effected. Unless the EC can agree on its economic aims and the means of attaining them, it will not be able to play the dynamic and at the same time stabilizing role in the world economy which many expect from it.

Starting Position More Advantageous Than After First Oil Crisis

In spite of the poor starting position of the world economy and in spite of the forecasts which speak of GNP and world trade growth rates dropping by

half while inflation rates continue to rise, I do believe that the starting position is better after all than at the time of the first oil crisis in 1973-74. One of the main reasons for this is that international awareness of the need of pursuing a policy of stability has increased. We have contributed to this awareness quite appreciably. That is why I do not believe that the danger of a new world recession is unavoidable.

Our own tasks are nonetheless difficult and they involve greater responsibility. The development of the economy and of the growth rate demand economic policies based on continuity in the 1980's. Our medium-term goal is to achieve moderate economic growth which will permit us to solve problems such as unemployment, structural change, redistribution and environmental protection. Only if we manage to maintain our growth rates over the long term will the international competitiveness of our economy and, as a consequence, the basis of our economic well-being and the social consensus be assured. But growth is also--as the Club of Rome has emphasized--a prerequisite for the fulfillment of international obligations such as the FRG as an important industrial nation has, e.g., our commitment to development aid. We must make every effort to avoid excessive ups and downs in the business cycle. To this end, the federal government made a shift years ago from an anticyclical policy, which can easily turn into a procycle due to time lags, to a policy of continuity.

As for the favorable starting position of the German economy, I agree with the estimate of the Bundesbank, the economic research institutes and the council of experts. Present stimuli for the economy are to be found in the private investment sector and in foreign demand. But, the other economic indicators, such as production levels, orders received, employment and private sector consumption also show that the German economy overall is in good shape. Generally speaking, there is a positive atmosphere in industry based on favorable profits and satisfactory utilization of production capacity. But prices do give us reason to worry. It will be the federal government's aim to combat these inflationary tendencies vigorously by relying on its economic and financial policy oriented to stability. In these efforts it is being supported by the Bundesbank.

In my view, the economic development of the FRG faces the following risks in 1980: Since a quarter of our GNP depends on export, it will be very important to see that foreign demand remains high. I am looking for major impulses from our western trade partners because of the favorable balance of payments development; from the raw material producing and above all the oil-producing countries, and from the state trade countries. I see another risk in the development of private consumption and conversely in the growth of savings. If the consumers continue to buy, then private consumption will remain one of the pillars of the economy.

Developments in the investment sector will be of prime importance to the economy in 1980. I agree with the council of experts in viewing private investment as quite robust. It would be a good thing, if it could continue to act as a stimulant for further growth.

If reductions in exports, in private consumption and in investment activity can be avoided, the GNP could grow by 2-1/2 to 3 percent in real terms in 1980. Under those circumstances, employment would probably rise slightly once again without, however, an appreciable drop in the number of unemployed. Consumer prices in 1980 will probably be 4 to 4-1/2 percent higher than this year, on an annualized basis; but I do expect a drop to about 3 to 3-1/2 percent during the course of the year.

But the German economy can achieve these goals only if there are no further shortfalls in oil delivery and oil supply and if, as a consequence, oil prices do not rise drastically. In my view, that is the key to continued favorable development of our economy. Therefore, energy policy will play an extremely important role not only in 1980, but in the coming decades, as far as we can tell. And, I believe that the energy policy we have been pursuing has put us on the right track.

And, if all concerned adopt a responsible position during the 1980 round of wage negotiations and if industry pursues the appropriate price policies and thereby supports government efforts, the German economy can embark upon 1980 with confidence.

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CSO: 3103

OIL EXPLORATIONS, PARTICIPATION BY DEMINEX NOTED

Duesseldorf HANDELSBLATT in German 21/22 Dec 79 p 12

[Article by title: "Access to Some 10 Million Tons of Crude by End of Eighties"]

[Text] Essen--In 1983-84 Deminex-German Petroleum Supply Co., Ltd, Essen will have access to 4 million tons of crude annually and by the end of the 80's to about 10 million tons. Despite all the efforts to find substitutes for oil, the FRG will remain dependent on the availability of imported crude until at least the end of the century. For this reason, according to Ernst E. Hotz, managing director of Deminex, his company's activities attain added importance.

Deminex has had a number of successes, Hotz said; among them, the advantageous purchase of shares in the British Thistle Field on the North Sea shelf and some oil finds of its own in the Gulf of Suez. Nonetheless, Deminex will have to rely on third-party financing even after the present, second supplementary investment program runs out at the end of 1981. This prospect is in no way affected by present profits on the part of the Deminex partners "because the group's position vis-a-vis its competitors is not determined by the profit margin of a given year, but by the relationship between their outlays for crude as against those of competitors operating on a broader base of crude supply."

The original capital of Deminex of DM100 million which will be increased to 150 million on 1 January 1980, is distributed as follows: 54 percent with Veba; 18.5 percent each with Union Rhenish Brown Coal Fuel Co. (UK Wesseling), a member of the Rhenish-Westphalian Electrical Co. and Wintershall AG, a member of the BASF group and the remaining 9 percent with the Saar Mining Co. It is quite conceivable, however, Hotz said, that the federal government's share in financing exploration, which made up 75 percent at first, could be lowered to two-thirds and eventually to 50 percent.

Important Projects in Egypt and Libya

Until the end of 1981 Deminex will be able to draw on a total of DM2.73 billion which have up to now been made available for exploration and partial financing of purchases of working oil fields and/or drilling operations. A total of 1.98 billion of these funds are supplied by the government and 758 million by the partner firms. In addition, the firms have thus far made DM70 million available for projects and expenses above and beyond the investment programs.

By the end of 1979 a total of almost DM1.7 billion worth of investment funds will have been spent and of this figure more than 1.5 billion for exploration. The major part of these funds went into North Sea/North Atlantic and into North and West African exploration, i.e., 30 percent each. The Near and Middle East's share was a little over 20 percent. Middle-term plans are to continue expanding Deminex' North Sea position. It is expected that about a third of the exploration funds will be committed here until the end of 1984. North and West Africa will also continue to play an important role in the Deminex medium-term scheme, particularly in view of the Egyptian and Libyan projects. Additional expenses incurred by Deminex beyond the funds available in the investment programs amounted to some DM250 million for the purchase of reserves in Thistle in the North Sea field Beatrice and for U.S. participations.

Less Oil for a Start From Thistle Field

The changeover of Deminex from an exploration company to an exploration and production company has now been completed, Hotz said. In 1978 the company or rather the partners according to their holdings had 1.1 million tons of crude of their own from the Thistle Field at their disposal for the first time. In 1979, Deminex' share from Thistle and some small U.S. participations will amount to about 1.7 million tons. This figure is expected to increase over the next several years. At the moment, however, the yield from Thistle is a good deal less than originally planned. Measures to preserve the oil flow had to be taken earlier than expected. For this reason, Deminex will be receiving 3 to 4 million tons of crude less than expected until 1982. But this deficit will have been made up by 1985-86. Present estimates according to which Thistle contains about 60 million tons of crude remain unchanged, Hotz said.

NOTE: Next sentence is incomplete.... At this time it is too early to say whether present preliminary production in the small LL 87 field in the Gulf of Suez can be turned into a profitable venture. Medium-term projections at Deminex are based on the assumption that on-going explorations over the next few years will lead to the discovery of deposits in addition to those already mentioned and that these deposits will be developed to the point of producing a yield. Deminex will also endeavor to increase crude oil availability over the short term by purchasing additional participations in deposits which are either operational or already being developed. It is quite clear, however, that shortages on the world oil market and the supply problems arising from the situation in Iran have led to a more intense competition for available reserves.

Hotz deplored the fact that the Belridge Oil Co. deal had fallen through. Dr Karl-Heinz Bloemer, a member of the Deminex advisory council, who represented UK Wesseling at the press conference, pointed out that the Deminex partners would under no circumstances have paid the \$3.6 billion purchase price for Belridge which was bid and paid by the Shell group. Ulrich Hartmann, the Veba representative, at this point asked Bloemer whether he was speaking for all the partners, making it clear that Veba thought differently of the matter. Bloemer stuck to his original statement--which somewhat surprised those in attendance. This rather unusual occurrence at a press conference, which saw some partners of the firm concerned taking the floor subsequently, seems to have been caused by misunderstandings rather than by differences of opinion.

All things considered, Hotz said, Deminex is on the right track, but has not yet reached its goal. There will be a need during the coming year to build up technical know-how, also as an offshore operator in order to strengthen Deminex' competitive position internationally. In addition, Deminex will be bending every effort to stand on its own feet as soon as possible, i.e., to become as independent as possible of government support. To be sure, this goal cannot be reached in the short term. Also, much will depend on successful exploration in particular. But deminex feels that the goal will by and large be reached by the second half of the 80's.

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CSO: 3103

KOHLE SPELLS OUT CDU POSITION ON ENVIRONMENT

Bonn DIE WELT in German 19 Dec 79 p 2

[Article by Manfred Schell: "CDU": Growth and Environmental Protection Not Mutually Exclusive"]

[Text] "Politics cannot decree that people return to a Biedermeier idyll of the simple life. For the CDU growth and environmental protection are not unbridgeable oppositions." That is how CDU Chairman Helmut Kohl summarized his party's position on the issue of environmental protection when, together with delegate Heinz Riesenhuber, he presented the CDU's program on environmental policy in Bonn yesterday. In the document, which is nearly 100 pages long, environmental protection is given high priority because in our time the natural environment is being consumed or even destroyed as never before. But in the CDU's view it would be wrong "to seek the solution to the problems in an environmental ideology that is hostile to growth and technology."

Citizen initiatives are expressly welcomed by the CDU if they are constructively concerned with solving environmental problems and observe the democratic rules of the game. But they must not "usurp any responsibilities" which are the business of the elected bodies. Thus, the CDU rejects the association's complaint.

According to Kohl, environmental protection is not a "fad topic" for the Union. At its 1960 party convention in Karlsruhe it was concerned with the risks which an industrialized world involves for health and life. In the past decades certain successes have been achieved: emissions of sulfur, dust and lead have been reduced, pollution of the waters has decreased regionally. The recycling of glass, paper and lead is gaining in importance which suggests we are "overcoming the throw-away mentality." But all that does not yet mean a turn in the trend.

In detail, the environmental program of the CDU has the following key points:

--City Development: The model for planning should be cities which have been made less compact and which are provided with "fresh air lanes." The city centers should be dwelling sites at the same time; "bedroom towns" at

the city's edge are rejected. To raise the quality of living the CDU demands, among other things, local transport systems which are supportive of the citizens and driving prohibitions which have time limitations. The "sealing" of innercity surfaces (with asphalt or construction) is to be limited to what is absolutely essential in order not to endanger ground water reserves;

--Energy Use: According to the CDU it is not possible to have an energy supply that does not harm the environment. This damage can be severely limited by using fuels which are especially low in sulfur and by laying underground energy conduits;

--Water Management: Here the CDU advocates the principle that the party responsible pays. Whoever pollutes water should bear the costs of purification. In addition, it advocates more waste water purification plants and production methods which produce little waste water. Negotiations should be carried out with the GDR in order to stop the pollution of the Elbe and Weser rivers;

--Air Purity: Here the CDU wants to take remedial measures among other things by reducing automobile exhausts, by optimal burner adjustment in household heating systems and by the development of new technical processes which are less harmful to the environment, primarily in the sector of iron and steel works, and in new plans for mineral oil and petrochemistry;

--Radiation Protection: By far the greatest part of civilizatory radiation damage (about 85 percent in 1977) comes from diagnosis using X-rays. On the other hand, exposure to radiation that comes from nuclear power plants amounts to less than one percent of natural radiation exposure. Here the CDU wants strict supervision in order to guarantee observance of the scientific limiting values. In so doing there should be recourse to existing legal possibilities. Faultless safety designs to protect nuclear fuel cells from theft and sabotage are necessary. Secure, long-term intermediate storage facilities would have to be created for safe disposal;

--Waste Management: Wastes should be continuously removed by comprehensive systems--to the extent possible--and be returned as secondary raw materials. Dangers, which until now were unknown, emanated from depositing chemical warfare agents, which was done during the war. Such deposits must be systematically and as completely as possible tracked down and rendered harmless.

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CSO: 3102

BRIEFS

USSR ENERGY SUPPLIES--Bonn--The Federal Government does not at the moment regard the supplies of gas, oil, coal and other important raw materials from the Eastern Bloc to the Federal Republic as being threatened, despite the present, politically tense situation following the Soviet invasion of Afghanistan. During lower house question time, State Secretary Martin Gruener of the Federal Economics Ministry said today: "On the basis of our present experience, we have no reason to doubt that the Soviet Union will uphold agreements." In the event of an economic boycott, however, should this become a feature of the political confrontation, the possibility of far-reaching supply disruptions could not be excluded. According to the state secretary, the Federal Republic's energy supplies at present depend on CEMA deliveries for 15 percent of its gas, 2 percent for its oil and 3 percent for its coal. CEMA's shares, however, were still below the critical dependency threshold. According to Gruener, new agreements on gas deliveries with the Soviet Union are not planned until after 1985. By then, the Federal Government hopes to have cut back the quantity of Soviet supplies in the German gas supply by making increased use of other sources, for instance in Algeria and Norway. [Excerpts] [LD231748 Hamburg DPA in German 1443 GMT 23 Jan 80 LD]

CSO: 3103

FOREIGN MINISTER, SCHOLARS DISCUSS DEVELOPMENT AID GOALS

Helsinki SUOMEN KUVALEHTI in Finnish 29 Sep 79 pp 75-77

[Article by Juhani Aromaki: "Aid for Development Still Cause for Shame in Finland"]

[Text] The social acceptability of Finland's foreign policy is beginning to be seriously endangered since top officials of developing countries have already on several occasions wondered about the relatively small amount of aid Finland offers them in comparison with that of the other Nordic countries.

Can Finland's foreign policy leadership afford year after year to remain indifferent to the granting of funds for development and to Finland's image in the Third World countries?

When an official of the Finnish Ministry of Foreign Affairs prepares to speak on matters of general Nordic concern at an international congress, he simply is not willing to try to get Finnish views on questions involving the developing countries to agree with those of the other Nordic countries.

The reason for this is simple: In 1978 Swedish and Norwegian aid for developing countries amounted to fully 0.9 percent of their gross national products and the Danish figure, 0.75 percent, also exceeded the level recommended by the United Nations.

Finland was quite far behind the recommended 0.7 percent with a contribution of 0.17 percent. Obviously, not even a hypocritical Finn can, along with the Nordic countries, go ahead and sign appeals on behalf of the Third World.

Finnish positions on the issue have been explained. Party leaders are apparently at the stage where they are ready to increase support for [developing countries], but the ordinary man in the street is very far removed from these matters. This is a broad view which appears to be increasingly specious. More and more Finns feel that we have sufficient means,--and an obligation.

Both in Finland and abroad pointed remarks on this issue have been directed at Finnish foreign policy efforts in this area. Appropriations for aid to

developing countries--and at the same time Finland's image in Third World countries--have been pre-empted by other demands on the budget, including some determined by law.

In this connection, ever sharper criticism has been leveled at the foreign policy leadership including both the President and the Minister of Foreign Affairs.

The rigid positions taken by Finance Ministry officials in eliminating appropriations for developing countries against the wishes of the Ministry of Foreign Affairs have also been criticized.

Since prestigious leaders of developing countries have remarked directly to Ministry of Foreign Affairs officials about the modesty of Finland's contributions, we may be certain that Finland will encounter [more such] these serious, although polite, remarks in the future.

Minister of Foreign Affairs' Empty Words

More and more frequently both inside and outside the Ministry of Foreign Affairs pointed questions and well-grounded views are being presented: Why does Finland not invest in the future?

The Ministry of Foreign Affairs maintains that during the next 2 years Finland ought to increase its appropriations for development aid in even stages to an intermediate goal of 600 million marks.

The 1980 budget provides for only 381 million marks, or 69 million more than last year's figure. This amounts to about 0.22 percent of the gross national product. This sum is nearly 50 million marks less than would be presupposed by the gradual increase [proposed by the Foreign Ministry].

Foreign Affairs Minister Paavo Vayrynen has once again made his customary public statement to the effect that the funds allotted are insufficient. He adds that the increase over the next 2 years must be quite a sizable one.

These words sound rather empty, even though Finland has in various connections announced her intention of doubling by 1982 that portion of the growth national product accounted for by development aid. The primary goal is the 0.7 percent recommended by the United Nations, but Finland has in no way committed herself to any sort of timetable.

Finnish decision-makers have not explained why they feel they can deviate so sharply from the percentages the other Nordic countries contribute for this aid. What is really at issue is the proportion, which should be independent of economic conditions. This should be binding like a promissory note which we Finns would have to live with.

This is not now the case nor apparently will it be so for several years to come without mass movements by citizens. The goal set by the budget is to

increase aid for development to 690 million marks by 1984. This would be 0.37 percent of the gross national product or half of the figure recommended by the United Nations. Finland thus intends to retain its rank if not in last, then in at least second to last place, among the nations of the world.

Up to now, Finland has chosen from among the poorest countries as objects of the aid it extends. The chief recipients are Zambia, Tanzania and Vietnam. Nearly a half of our development aid funds is transmitted through international organizations.

A New Role for Finland

Prof Niilo Ryti recently presented some viewpoints which are forcing Finnish decision-makers to reassess the situation. They also force the Finance Ministry and Ministry of Foreign Affairs to engage once again in a dialogue, avoid misconceptions and justify new areas of emphasis.

Professor Ryti asked whether we can be satisfied merely with dispensing just enough small development aid appropriations on the basis of political considerations to chosen recipient nations to preserve our international social acceptability and engage in traditional export and import trading within those bounds as opportunities present themselves.

Or would it be possible to find for Finland in its relations with the Third World a clearer, more purposeful role which would truly offer a positive contribution to Third World development and at the same time be productive for Finland's own economic development?

Ryti felt that, alongside and perhaps ahead of social goals in the assignment of priorities for our development aid, efforts are being made to use development aid as a device for promoting our own country's exports.

In this way the attempt is being made to direct development aid funds to the preliminary elaboration of such projects and perhaps also to financing means by which Finnish firms can provide facilities and services.

"There is, however, reason for asking whether trade conducted on such a basis is our final objective. Does it make any sense to regard the Third World primarily merely as a marketplace for construction project exports where machines, equipment and services are occasionally sold or should we try to gain a more permanent foothold there by going into these projects as entrepreneurs," Professor Ryti asked.

Two Alternatives

Because of the paucity of Finland's human and economic resources, Finland ought to concentrate its forces on and direct its objectives toward the rare, [more] promising Third World areas so that we can count on having adequate familiarity with the local situation at a moderate cost to ourselves.

Or, Finland ought to concentrate on those areas in which it has particular expertise and where experts can be spared for overseas assignments.

Or, Finland should work to get industry and government,--the activities of its development aid agency in particular--to work along similar lines toward common goals.

Professor Ryti sees two alternatives:

"We can regard the Third World as an area of interest primarily in terms of our traditional export trade.

"The other alternative would be an effort to participate actively in Third World economies now undergoing development."

This would mean that Finnish firms would enter a developing country's economy as business partners or perhaps entirely with their own undertakings.

This approach would, however, demand more of Finns than more traditional export policies. It would require skilled manpower and capital. And there would be the risk of failure because of [possible] political instability.

"Along with engaging in projects in chosen Third World countries, perhaps aside from assisting in the development of these countries, it would also be expedient for us to be in a position to exploit the increased prosperity of these countries and the growth in their purchasing power. Perhaps in this way we would succeed in also laying a stepping stone to the growth of prosperity in our own country," Professor Ryti noted.

The same sort of thinking is behind the large sums for development aid advanced by the other Nordic countries. They do not regard it as a bad thing that development aid and construction project exports are linked to one another. This has also shown itself to be an effective way of providing aid.

The World Bank reports that the extent of neediness now and in the future is overwhelming.

In the world today, about 800 million people--men, women and children--live under conditions the World Bank describes as "absolute poverty."

And the future is just as black since, even if the most optimistic hopes for economic growth are realized, there will by the year 2000 still be 600 million people in the world living in misery.

Finland has an obligation to participate in this "international social policy" by making a sizable contribution to development aid. But also correct are those who say:

Finnish cooperation in the field of development aid will not merely be subordinated to serving the promotion of export trade, but on the other hand, neither will it create an international social security agency. We can engage in both kinds of activities only if they complement one another.

FOREIGN TRADE MINISTER DESCRIBES SATISFACTION WITH USSR TREATY

Helsinki SUOMEN KUVALEHTI in Finnish 5 Oct 79 pp 68-70

[Interview with Finnish Foreign Trade Minister Esko Rekola by Juhani Aromaki; date and place not given]

[Text] Foreign Trade Minister Esko Rekola went to Moscow to sign the basic 1980-1985 trade agreement between Finland and the Soviet Union already 15 months before it is to go into effect.

Following the signing, hosts and guests were all smiles and Japanese visiting the city that same day were a bit surprised.

"Any superpower would envy you," Foreign Trade Minister and friend of Finland Nikolai Patolichev burst out to his Finnish colleague.

According to the basic agreement just signed, during the next 5-year period the volume of trade between Finland and the Soviet Union will rise to 84 billion marks.

The rise in the price of oil and growth of import volume are increasing trade but other, new factors have also influenced this growth. However, ships, metal industry machines and equipment, and wood-processing industry products still dominate the Finnish export trade.

Oil is the most important import item. For Finland the agreement is at this point weighted in favor of imports, but Minister Patolichev maintains that the Soviet Union will see to it that trade remains in balance by increasing its purchases from Finland.

"It is important to note that through this binding agreement Finland has protected its energy availability and the long-term development of its export trade. These are the most important provisions of the agreement," Foreign Trade Minister Rekola says.

On the same day the Finns were there, the Japanese were also in Moscow with a mind to do some trading. The Finns, and their hosts as well, took note of the fact and even joked about it a bit.

Japan has 100 million people and Finland not quite 5 million. And both of them concluded the same-sized trade agreements in Moscow.

The Finnish shipbuilding industry got an export quota of fully 1.7 billion marks. This is such a large sum that any big power would regard the order as a gigantic deal.

When a foreign newspaper editor asked the Finnish foreign trade minister, after his Moscow trip, whether exports to the Soviet Union are to be subsidized through government funds or whether the full price would be received for them, the minister replied:

"Of course, the firms involved have to earn a living and they will be able to do so at the prices they get in the Soviet trade. In big operations, where the government is also involved, the arrangements will deviate a bit from those made in ordinary trading of goods but, in such cases too, firms will have to manage assuming the economic responsibility themselves."

[Question] This time the basic agreement between Finland and the Soviet Union was exceptionally reached 15 months before the agreement is scheduled to go into effect. Why did things go so quickly this time and what are the advantages for Finnish exporters?

[Answer] The speed achieved stems from the fact that the arrangements for negotiating the trade agreement could be improved. When the 15-year program agreement between the two countries was signed, a lot of preliminary work on this 5-year agreement was also completed. This has now speeded up the timetable.

This is an advantage for businesses because they can make long-range preparations for trading. Now there is no danger that the agreement will fall apart at the seams.

[Question] In developing their trade, Finland and the Soviet Union have set up a long-term program. This basic agreement is the core 5-year program within which the agreement just concluded had been estimated at 12 billion rubles. Now it is already 2 billion more than that. For what reasons has the volume of trade expanded so uncontrollably?

[Answer] When the price of oil is figured at the present rate, it naturally plays its own role in the matter. Furthermore, more oil is now imported than before. Whereas during the period of the current agreement 6.8 million tons of oil a year are imported, under the new agreement it will amount to from 7.3 to 7.8 million tons.

[Question] The Finnish shipbuilding industry was allotted a 1.7-billion-ruble quota with this agreement. In terms of its sale this has been characterized as being of major proportions for the shipbuilding industry of any of the world's countries.

[Answer] Minister Patolichev has said that any big power would envy us. The agreement protects our drydock industry operations for a long time to come and protects their positions better than the Swedish drydocks are protected.

The Soviet Union is, among other things, interested in buying more ships suitable for use in the Arctic regions, primarily the Arctic Ocean, for which the Finns have built ships before.

[Question] Imports have always been a problem in Finnish-Soviet trading. The amount of oil pleasantly surprised the Finns, but what other new import items did they find?

[Answer] For example, Rautaruuku will be getting pellets from Kostamus. In 1983, 400,000 tons of them will be bought and during the last 2 years of the term of the agreement as much as 1.2 million tons.

When more ship sales are made, imports of ship equipment and parts increase considerably as a counterbalance to exports. Timber imports rise.

According to the current agreement, 500,000 cubic meters of sawn logs a year can be imported. Under the new agreement, the amount varies from 500,000 to 600,000 cubic meters.

Furthermore, according to the current agreement, 1.45 million cubic meters of softwood a year can be imported. According to the new agreement, the amount has been raised to from 1.5 to 1.58 million cubic meters.

Although timber has been spared in our forests during depression years, there are also good reasons for being prepared to import timber when the lumber industry is operating at full capacity.

For long-range goals, this is an important import item. We must also consider the fact that we get this imported timber from rather nearby, so that it pays to import it by floating it in and hauling it across the border by truck.

Another example: It is estimated that automobile imports will increase from 12,000 cars a year to as much as 16,000. The basic agreement provides for an annual volume of from 11,000 to 16,000 cars.

[Question] Doubts have been advanced to the effect that the Soviet Union might sell Finland less oil than it does now in the coming years. The oil the Finns need and want can be purchased in great abundance this 5-year period too. What does the oil availability situation for longer intervals look like?

[Answer] It was not discussed at this time, but since oil imports are constantly moving in the direction of increases anyway, this too gives us confidence in the future.

According to the new agreement, during the first 2 years of its term from 7 to 7.5 million tons of crude oil will be imported from the Soviet Union and from 7.5 to 8 million tons during the last 3 years.

When basic agreement figures are added up there are more imports than exports. Is then the principle of trade between two parties so badly shaken that imports and exports are not in balance?

This is not the case. First of all, these figures do not include construction jobs performed in the Soviet Union. They have, however, represented 10 percent of Finnish exports to the Soviet Union.

Moreover, the Soviets assure us that this balance will be equalized through the annual trade volume. I asked Minister Patolichev how we could in Finland explain the fact that there are more imports than exports.

Patolichev said that, when they make up their annual balance sheets, it turns out that they buy more goods from Finland than the agreement at the present time provides for: ships, machines and equipment as well as farm products. I asked whether I could also repeat that in Helsinki. He said certainly.

[Question] In trade with the East arrangements for payments have now and then been discussed. Trading is at the present time still conducted the same old way on the basis of a clearing. Have the partners to the agreement any desire to change this system?

[Answer] The matter was discussed a couple of years ago by a working group which decided to continue on the present basis. I know that other ideas have been tossed into the air in the city but Finland's clearcut official position is that trading through a clearing be continued.

[Question] Major joint Finnish-Soviet construction projects are in progress. Was there talk of new projects in Moscow or, for example, a continuation of the Kostamus operation?

[Answer] Continuation of the Svetogorsk, Kostamus and Paajarvi projects was briefly mentioned. Construction project exports represent 10 percent of all exports, which is why we believe this trade will be continued.

From the technical standpoint, at Svetogorsk we are farthest along in negotiations for continuing the project. The next phase of the Kostamus project is in the planning stage but we must remember that it will not be nearly as big a job as the first phase.

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CSO: 3107

LEFTIST AUTHOR ANALYZES CP INTERNAL STRIFE, 'HYPOCRISY'

Helsinki SUOMEN KUVALEHTI in Finnish 5 Oct 79 pp 18-19

[Article by Pekka Vuoristo: "Hannu Salama's 'A Year of My Life': The Anguish of a Frustrated Idealist"]

[Text] "This kind of communism has no future. It is so well-insulated, theorized and nationalized. It is no longer capable of furthering the progress of the people and the workers. It has cruelly betrayed the cause of man."

All those frictions and quarrels that for decades have strained the relationship between the Finnish Communist Party (SKP) and the intellectuals associated with it take shape in an extreme form in Hannu Salama's book, "A Year of My Life."

The schism between the orthodox communists and their more liberal, generally intellectual supporters--the seeds of which seem to have been sown in Finland already prior to World War II--flared up during the postwar struggle over the nature of the Finnish Peoples Democratic League (SKDL).

At that time, the Socialist Unity Party, which belonged to the SKDL and which, at its height, had about 2,000 members, attempted to make the SKDL into a socialist organization which would in its views clearly be quite distinct from the SKP.

Because of both the party's Stalinist legacy and the pressure toward ideological uniformity caused by the cold war, this remained but an attempt.

Even before the end of the 1940's, the SKP had complete control over the SKDL. No socialist proposals deviating from the communist line appeared on the SKDL program.

To all appearances, these intellectual power struggles reached their peak in 1953 when Raoul Palmgren, chief editor of the SKDL organ

VAPAA SANA, got into a dispute with party leaders over his deviation from the SKP line in that publication. Palmgren was himself a communist but his newspaper was not an SKP paper. He quit the party and was fired from his job as chief editor.

In 1956 when the international communist movement under Khrushchev's leadership criticized Stalinism, many SKP members belonging to the Finnish intelligentsia accused the party and its leadership of dogmatism, of insisting on ideological uniformity and of a lack of humanism, among other things.

With the tightening of party discipline in the wake of the Hungarian uprising, these views were branded as revisionist. In these years there were several conspicuous desertions from the party.

In the early 1960's Jarno Pennanen, the former chief editor of KANSAN UUTISET, founded the magazine TILANNE whose target was the surviving vestiges of Stalinism. The newspaper's staff was composed of intellectuals who took exception to the SKP line.

Since the early 1960's the swing to the left that has taken place among intellectuals has channeled itself not so much into the SKP as into the SKDL. General humanistic, idealistic socialist principles sharply deviating from the official communist line once again prevailed in the SKDL. This development was so powerful that SKP leaders could not control the situation; rather, quite the contrary, it had the effect in 1966 of undermining the hold of the SKP's Stalin Era leadership on the party. The following year socialism became a main feature of the SKDL program.

The current SKP minority faction, which came into being during the 1966 transfer of power, accuses the party majority of adopting so-called left-wing socialist ideals that have been introduced through the SKDL and the SKDL of attempting to eliminate the SKP.

"Bureau Communists"

Since representatives of the intelligentsia and the SKP official line have opposed one another in these tempests, the most conspicuous of these has been the conflict between intellectual integrity and idealism, on the one hand, and the solidarity demanded by the existing kind of socialism.

This schism, which was originally brought on by the so-called debate on socialism in 1978, is also clearly depicted in Salama's book. In the first part of Salama's diary, we can see the debate still unfolding.

One peculiar fact about the SKP is that it has often had to operate on terms set by its left wing. Even if the party majority found

Eurocommunism attractive, it could not make too much of it because the Soviet fraternal party regards the ideals of Eurocommunism as extremely dangerous.

Thus they find themselves in a situation in which, according to Salama, the "Stalinists" openly appear as "Soviet Communist Party bootlickers" and the "reformists" only cautiously flirt with Eurocommunism. Intellectually speaking, the party has come to a stop.

On the international plane too, communism has been nationalized and as such, in Salama's opinion, it can no longer serve as a workers ideology.

Salama's claims, accusations and demands do not in their substance deviate significantly from what has been heard before in the debate on socialism; his brisk, aggressive style is, however, striking.

Salama criticizes his party's hypocrisy, its "bureau communism," its ossification and its stifling of debate. On the international plane he calls for open discussion of the shortcomings of the existing form of socialism.

Big Power Mediator

Salama's book also reveals incidents which help us to understand why it is hard to get even party members who sympathize with his views to openly support him.

For example, he toys with the idea of sending a membership application to the SKP just so he would get it smartly returned to him like a boomerang. Between times he wonders what a supporter of such a bunch is really doing and considers quitting the SKDL.

But Salama assumes the role of a real expert in his concern over the increasing tension between China and the Soviet Union. He is peeved when his discussion of the issue in KANSAN UUTISET arouses resentment, and he begins to take action on his own. Salama writes letters to both the Soviet ambassador to Finland and the SKP Central Committee suggesting that the SKP be used as a mediator in the dispute. But no visible result comes of this.

Unsuccessful in setting matters right between the two powers, Salama rakes SKP leaders over the coals for not having the courage to set about correcting this state of affairs. He then decides to stop following the politics because even reading the newspapers makes him mad.

The ineffectiveness of his own stubborn idealism in real life appears to surprise 42-year-old Hannu Salama.

Among the frustrated intellectuals in SKP and SKDL circles, he seems to be one of the more starry-eyed.

MARCHAIS REITERATES COMMUNIST SOLIDARITY WITH IRAN

Paris L'HUMANITE in French 15 Nov 79 p 3

[Interview with PCF General Secretary Georges Marchais]

[Excerpts] Georges Marchais was last night's guest on the France-Inter program "Face the Public," hosted by Gilbert Denoyan. He was interviewed for nearly 50 minutes by Joseph Palletou of France-Inter, Henri Marque of PT1 [expansion unknown], Paul-Jacques Truffaut of OUEST-FRANCE, Guy Claisse of MATIN DE PARIS and Jean Cau of PARIS MATCH.

[Question] In your opinion, what are the consequences of the U.S. decision to acquire oil supplies elsewhere than from Iran? And how do you explain that Western economies were expanding until the oil crisis and that they have been shrinking since that crisis?

[Answer] Your analysis is absolutely wrong. The crisis of French society, inflation and unemployment began long before petroleum prices tripled, which occurred in 1973. I wrote an article in L'HUMANITE on the crisis of French society as early as 1971, i.e., 2 years before the decision made by the OPEC countries. As for the American decision to obtain supplies elsewhere than from Iran, it concerns only the United States. And besides, Iran supplies only four percent of the petroleum consumed in the United States.

Assuming that the United States obtains this four percent on the Rotterdam market, and that is probably what it will do, that will have no effect on an actual situation which already exists. In Rotterdam there is a free oil market in which oil companies make huge profits. Actually, the events in Iran do not risk causing a shortage in our country. We are not concerned.

[Question] To get back to the Iranian question, do you formally condemn the taking of hostages? And if so, is it consistent to say at the same time that you are in favor of the shah's extradition?

[Answer] We do not support certain methods of force sometimes used abroad and sometimes used in our own country. We are against the taking of

hostages and in favor of respect for diplomatic immunity. Nevertheless, embassies must not intervene in the internal affairs of the peoples in question. Moreover, with regard to Iran, in recent months there have been certain issues on which we have taken a critical stand.

However, having said that, the Iranian people demand the extradition of the shah. This is not an exceptional, isolated phenomenon. There are other examples. At the present time, we French continue to demand the extradition of Klaus Barbie, who was responsible for the murders of French patriots under the Nazi occupation. A few years ago, Israel also went to Latin America to get Eichmann--who was also responsible for crimes during the Nazi occupation--judged him, sentenced him to death and executed him. And Israel did that because that Latin American country refused to extradite him. The demand of the Iranian people is therefore not abnormal. I think that those people are right to demand the extradition of a man who, if I can believe what has already been said about him in certain newspapers, is responsible for the deaths of more than 100,000 individuals, not counting those who were tortured. They demand the extradition of a man who exported abroad a considerable sum of money from the Iranian National Bank; a man, the shah, who--it must be remembered--had been imposed by foreign powers. It was on the basis of a coup d'etat organized by the CIA, the Americans and the British that Mosaddeq--democratically brought to power in Iran--was deposed and replaced by the man who would become a despot and who led Iran into its present situation. As a result, I think that the demand that this tyrant should return to his people what he owes them, on the basis of a trial held in the normal manner, is legitimate.

Questioned by Jean Cau of PARIS MATCH, Georges Marchais replied: In one year, the publication which you represent devoted: a cover with a picture of the shah leaving Iran; nine cover stories on Iran, including eight on the misfortunes of the shah and the courage of Farah Diba; an exclusive interview with the shah; three exclusive interviews with Farah and two interviews with Bakhtiar. That means that PARIS MATCH has definitely chosen its friends.

G. Denoyan then spoke and, in accordance with the procedure of "Face the Public," suggested the first surprise question of the broadcast. It was asked by Michel Pinton, general representative of the UDF [French Democratic Union].

The latter then launched, by way of a question, into a flood of insults concerning Vietnamese leaders accused "of covering the country with Goulags and concentration camps" and of "tyrannizing Cambodia." He violently rebuked the PCF for standing by Vietnam in its reconstruction efforts and struggle for progress, of "supporting the executioners and the invaders." Georges Marchais then spoke again.

[Answer] Mr Pinton should be ashamed of using such language. He is a member of the UDF and thus belongs to the government majority, which abstained from voting in the United Nations on the appointment of Cambodia's representation. Mr Pinton is therefore a supporter of Pol Pot, the torturer of the Cambodian people.

Mr Pinton subsequently opposed the extradition of the shah, who murdered so many men and women in Iran. It is this same Mr Pinton who aspires to give communists lessons in human rights. I refer again to Vietnam. We communists have an advantage: it is that we defend human rights and freedom everywhere. On the other hand, the French middle class--all parties, including social democracy and the Socialist Party--was the first torturer of the Vietnamese people. The Americans were the second. Gentlemen, I don't know whether you have seen Copola's exceptional film "Apocalypse Now"? I have seen this film and I have also been to Vietnam. I saw with my own eyes those people who were massacred for 30 years, first by French imperialism and then by American imperialism. The Vietnamese people acquired their freedom and independence through a heroic struggle which is admired by progressive forces throughout the world. This is precisely what the supporters of American imperialism and the French middle class will not forgive the Vietnamese people. Just as you today do not forgive the Iranian people for not giving in to President Carter's pressures.

I am not anti-American; I do not confuse American leaders with the American people. But I know the hatred that you feel toward Vietnam, Cambodia and Laos, as well as for all peoples who have acquired their independence through armed struggles. That is what you cannot stand!

When Pol Pot was still in power, the Vietnamese Government made an official proposal to the Cambodian Government to negotiate to settle the disputed border issues. Cambodia did not accept. It is Pol Pot who attacked Vietnam and not vice-versa. This is the first fact.

Secondly, in all of these underdeveloped countries which have acquired independence, there are unhappy people, people who are frightened of the task which they must perform: how can the country be rebuilt? How can it be provided with industry and agriculture? How can it be provided with the means for health care, etc.? In Vietnam, everything must be done, because those people were massacred. Under these circumstances, there are people who will leave. Among those leaving, there are also some who will not have a clear conscience.

As for us, we communists are proud of standing by the Vietnamese people. We are proud of standing by the Iranian people. We are proud of standing by all peoples who, throughout the world, have begun to fight for their freedom and independence. The torturers, those who challenge human rights and freedom, they are the ones who, once again, bow down before American imperialism. Fortunately, the French working class has a Communist Party that will not bow down. It stands at the side of those fighting for freedom and independence.

As for me, I can testify to the situation which Vietnam is experiencing. I spent a night in a village, under ground, in water up to my knees. I saw children with arms completely deformed by rheumatism, because they have lived in that situation for years and years. I saw an entire people pick up, by hand in the rice fields, the shells of bombs dropped by the millions of tons.

More bombs were dropped on Vietnam than on all of Europe during the war against the Nazi occupiers.

Today, in view of such a situation, I can understand that there are people who prefer to leave.

11915

CSO: 3100

CDS' STASI INTERVIEWED ON FRANCO-MOROCCAN RELATIONS

Rabat L'OPINION in French 22 Dec 79 pp 1, 7

[Article by M. Nassiri]

[Text] As a footnote to the colloquy on "information in the city," Bernard Stasi, former minister and vice president of the French National Assembly, made the following statement to L'OPINION: Morocco and France must have mutual consultations frequently and contribute to the establishment of a new equilibrium and peace in the world.

It is not consistent with our traditions nor our conception of human rights for us to get rid of immigrant workers.

Bernard Stasi, deputy from the Marne, former minister in the Pompidou government, at present vice president of CDS (Social Democratic Center, leftwing of the presidential majority), attended the colloquy in Fes on "information in the city." In the following interview which he granted to L'OPINION, Stasi gives his impressions on present problems, Franco-Moroccan relations and the identical views between the two countries.

Stasi also speaks of Spain's admission to the Common Market and the situation of immigrant workers in France. Nothing must be hustled around and the workers in France must not be the object of measures contrary to their interests, he says.

To the first question on Franco-Moroccan inter-parliamentary relations, Stasi declared:

"A number of French parliamentarians are quite attached to Morocco due, to begin with, to the historical ties woven between the two countries and also by reason of the role which Morocco plays on the international scene, and particularly, in the Third World.

"In many respects your country has many situations very similar to those in France. We have, I believe the same analysis of the international situation, the same desire to establish (new) relations between the Third World

and the developed world. In this connection I feel that the solution to the crisis which is actually affecting the world lies in the establishment of a new worldwide economic order, a new redistribution of wealth and responsibilities all over the world.

"In another area Morocco and France are concerned about any possible event which could disturb the equilibrium of the African Continent or destabilize it. Our two countries are equally anxious for Africa's development to be carried out independently and without interference from the great powers.

"In France we also appreciate Morocco's wish to build a democracy. I believe that Morocco is one of the few countries in the Third World to manifest a desire for development while respecting the principles of democracy. In a world where the threats of war are numerous, it would be advantageous for Morocco and France to walk in step and hold mutual consultations more frequently in order to try to contribute to the establishment of a new equilibrium and to maintain peace in the world.

"The historical ties established between our two countries and the personal bonds between the Moroccan sovereign and the president of the French Republic, are the components of a great solidarity."

Reviewing the international political and economic situation, Stasi specified:

"To begin with, in relation to the African Continent, there is, as I said before, a certain number of risks of destabilization involved. There certainly is a wish for hegemony in some African countries. I believe that Morocco, like Senegal, two reasonable powers, wish to maintain peace in the African Continent, make it possible for its development to be implemented without any foreign interference and secure from internal supremacy.

As regards the Middle East Stasi declared:

"I feel that Moroccan and French viewpoints are very close. Any solution to the problem in this region must take into account the Palestinian situation. Palestinian identity cannot be denied. Evidently, Israel must evacuate the occupied territories.

"Another problem which is preoccupying us is that of the supply of oil to both our countries. We are dependent on this product and the increase in its price is seriously represented in our economies. We are anxious to see some concerted action established between the producing countries and the consuming countries. At the present time anarchy reigns in the petroleum market.

The action I mentioned above does not exist as yet. Without a doubt the consumer countries must reduce their consumption and the producing countries must not rush into a price escalation since the international economy will become very seriously disturbed. This is certainly not in the interest of producing countries.

In connection with Spain's future admission to the Common Market, Stasi affirmed:

"I believe that Europe cannot be pictured without Spain, Portugal and Greece. Up to now these countries were dictatorships and were not admitted to the Common Market. Today they have made the effort to liberate themselves, to become democracies. We do not see any reason to forbid them to join the EEC. However, having said the above, we, as Frenchmen, are very anxious to take all necessary measures and precautions in order that the admission of these two countries to the Common Market should not threaten the interests of the economy of some French regions and those of other countries which have signed agreements with EEC.

The Lome agreements show that Europe cannot be a community retiring in its own shell, and that on the contrary it must develop cooperative relations with a certain number of Third World countries. European and African development must not be carried out in an aggressive manner and must be complementary instead. We will therefore take care that the admission of Spain, Portugal and Greece to the Common Market will not harm the Moroccan economy."

To a question relating to the new French laws on immigration, Stasi replied:

I think that the purpose of the French Government has not always been understood. Things have been presented in a very exaggerated manner. The question has never arisen that the immigrant workers who brought their strength to help the French economy should be sent back to their homes. France owes them a great deal. It would be immoral and very unjust to get rid of them under the pretext that our economy is in trouble. This does not conform with either French tradition or with our conception of human rights.

"However, I believe that it is normal for us to take some steps in a difficult conjuncture, or, if you prefer, to limit immigration. Actually this is in the interest of those who risk becoming unemployed in the future. But I firmly repeat that we have no intention, now that times have become difficult, to get rid of those who helped us so industriously."

7993

CSO: 3100

BASES OF CGT, CFTD, FO LABOR UNION STRENGTHS, APPEAL TO LABOR

Paris L'EXPANSION in French 7 Dec 79 pp 109-117

[Sofres Public Opinion Poll of 18-24 Oct 79: "The French and Their Labor Unions: What They Feel About Them, How They Use Them, What They Expect of Them"]

[Text] This exclusive survey was made for L'EXPANSION by Sofres, from 18-24 October, 1979. It is based on a national sample of 1,000 persons, representative of the whole population 18 and older. The method used was quotas (sex, age, profession of head of family), with stratification by region and category of agglomeration.

"Mind your own business, and we'll all be happy." Although obviously greatly simplified, this formula best summarizes the relations between the French and their labor unions, according to the results of this survey. The relationship is an ambiguous one, made up of both familiarity and distance: the labor unions are valued, they are part of the landscape, their usefulness is recognized; but only for the purpose of playing a particular, limited role. "You are here to protect us, not to play at politics," is the message.

Charming discovery, you will say. But the object of the survey which L'EXPANSION asked Sofres to undertake was not to provide revelations. Even though the opinions of organized labor make the front pages of the newspapers these days, a study of voting intentions comparable to the traditional political surveys would not have yielded much information: organized labor represents only a part of the work force, and one would lack a historical frame of reference. So this survey was an occasion for exploring a domain more of prejudice and proclamation than of objective research: the complex bonds which history has woven between opinion, society, the labor unions, and politics. The labor unions thwart other interest groups, mobilize supporters, upset the established order. In short, they are today a power, and thus a prize. How do the mass of Frenchmen see them? And what do they expect? Here are the answers to these questions, answers whose chief value--and it is considerable--is that they were gathered in the field.

Officially recognized in France for 100 years, the labor unions here are flourishing, and the people have considerable confidence in them. This is the first point. One rarely sees such a high score in a survey as the 80 percent of wage-earners who say it is "useful" to be in a labor union. The attitude of switchmen or agents of the French Electric Company may sometimes be annoying, but the worker does not rush to condemn the institutions.

Already, however, distancing appears: if less than one of seven Frenchmen believes the labor union useless, only one of three thinks enough of them to show his approval by joining. One can qualify this contradiction in various ways. Let us say only that it shows, at the start, a more operational and less moral or ideological conception of the labor movement.

This conception will be largely confirmed--and this is the second point--by the more specific questions on the role assigned to the labor unions in society. The protective and demand-advocating functions are rated most important by a large majority. The function of representing workers as a social class has less supporters. As to the strictly political role--revolutionary or self-disciplining--which they labor unions could play--the response of the public is a clear "no." Thus, to a specific question on the next presidential elections, a very strong majority (72 percent) of wage-earners answered that the labor unions should not issue any voting instructions.

This judgment, cutting both ways--confidence in the struggle in the working world, distrust of action beyond it--is confirmed by the clear and contrasted images of the three principal labor union leaders.

Seguy wastes his breath protesting his independence: the General Confederation of Labor [CGT] is still perceived as "politicized." As if public opinion more easily keeps track of day-to-day relationships than theoretical pronouncements.

Bergeron agitates in vain about a 5-week vacation or the length of the work-week; Workers Force [FO] remains "linked to the government and to management." As if visits to the Elysee Palace were the real test.

It is useless for Maire to provoke a debate of ideas on the future of labor union movements and their specific goals; the French Democratic Confederation of Labor [CFDT] is always assumed to have a strong political coefficient.

In short, it is not easy to change one's image. Supporters may well find the public images of their leaders obsolete or unjust. They would be wrong to ignore the more profound message which is conveyed by these matter-of-fact judgments: "I'm not fooled." What counts is not speeches, but action.

The French, one could say, have allocated each one its role--and see no reason to do it again. They have in their heads a clear picture of syndicalism and do not want to change it. If this is really so, it is especially true of the old Leninist tactic of the union "driving belt," which must be consigned to the dust-bin of history. Daily claims and demands are important enough, in the view of members surveyed, to justify the consecration of all one's forces.

Confidence Is Given More Freely Than Dues

But of course, there is a consensus! With one voice, the French--and not only the wage-earners--proclaim that the labor movement is useful. Surprise: upper management, the liberal professions, industrialists, and big businessmen, with virtual unanimity (88 percent) share this view.... Is this because the wage-earner is living in luxury, or because the light of "enlightened" paternal syndicalism is shining brightly again? In any case, the proof is in that the whole of French society has clasped the working class to its bosom.

But pay heed! Believing is not necessarily the same as putting into practice: whereas 80 percent of wage-earners favor syndicalism intellectually, only 33 percent of them admit being union members--which is still a higher figure than the 25 percent commonly cited as a statistic. Doubtless the feeling of belonging is more widespread than the reality: would not a lower figure have been obtained if the membership cards in wallets were checked?

If confidence was not affirmed to the same degree, it was at least in the majority: 49 percent of the sample population. This is a rather impressive showing for the unions when one considers that in January, 1979, political parties drew only a 38 percent positive response on the same question.

This confidence is better established among CGT sympathizers (80 percent of whom have full or considerable confidence in the unions) than among the others (CFDT sympathizers: 64 percent; FO sympathizers, 53 percent). This index of confidence may be accounted for by the fact that for a good number of Frenchmen, the image of the CGT is the image of the labor movement.

Other findings of the survey, not published here, reflect furthermore the classic cleavages between right and left: 74 percent of the communists and 63 percent of the socialists place complete or partial confidence [in the movement] against only 35 percent of UDF members and 34 percent of RPR members. Among civil servants, confidence is higher than among wage-earners of the private sector (53 percent), but let us not forget that the unions in the public sector have a wider sphere of influence, which could explain their vote.

More astonishing were the confidence levels sampled from women and the youth--levels which must be described as tepid: 47 percent of the former affirmed their confidence, and 55 percent of the latter. Let us note, finally, that among the two-thirds of wage-earners who say they are not union members, are 21 percent who call on one for help ("often," "sometimes," or "rarely.") Decidedly, the French bestow their confidence more willingly than they pay dues!

On the Hit Parade: CGT at the Top, Seguy at the Bottom....

In the rating of the big unions, continuity reigns supreme, and the competitors place in their immutable order: 1. CGT (34 percent of wage-earners); 2. CFDT (22 percent); 3. FO (16 percent). But historical benchmarks show that change

is at work. First of all, the "big three" are clearly weaker, to the profit of other organizations: the response "none of these unions" has grown from 9 to 13 percent among wage-earners. Then, too, over a longer period, only the CFDT has been consistently evaluated by the French public (apart from a curious switching of places with the FO between 1973 and 1976); the "erosion" of which Georges Seguy has spoken can be seen in the CGT; but it is the FO which has been most brutally weakened. When there is nothing of importance to negotiate, the union-that-signs dwindles. One can understand the vibrant appeals of Andre Bergeron for a new wave of contract politics.

In any case, the CGT can congratulate itself on two points: its rating among the 18-24 age group (37 percent) and among laborers (46 percent) is comfortably higher than its rating among the population as a whole; it is the only one that can make that claim. It is hard for its adversaries to deny it the title of the union of the laboring class!

It's not surprising, in these conditions, that wage-earners paint a more threatening portrait of the first French labor union. It appears to them first of all as "politicized" and "powerful," in percentages (48 and 35) which break all records. Again, in their eyes it is both the most revolutionary and also (alas!) the least democratic.

Despite its recentering, the CFDT keeps its image as a political labor union, but the variation in response gives a chiaroscuro effect. Edmond Maire will find satisfying material in the strong characterizations of his organization's "efficacy" (in No 2) and "adaptability" (in No 3). He will appreciate that his organization appears, more than the others, to be growing stronger, and that it receives accolades for being democratic.

As to the FO, it must yield to the evidence: the wage-earners depict it less "apolitical" than "linked to the government and management." If it is adaptable and can communicate, it gives the impression of being weak and suffering loss of momentum.

In connection with this, the personal sympathies of the Frenchmen sampled affects their opinion in a significant way (charts not reproduced):

--The CGT passes for powerful (43 percent) and efficacious (40 percent) in the eyes of its own supporters; politicized (57 percent) and powerful (45 percent) in the eyes of secretly fascinated CFDT sympathizers; and culpably political (63 percent) in the eyes of FO sympathizers.

--FO appears chiefly apolitical (37 percent) to its own, while its conduct is interpreted by CGT and CFDT sympathizers as showing a feudal tie to government or management (31 percent and 27 percent). It is even bluntly called the "blackleg" union among communists (40 percent).

--CFDT is the object of less peremptory judgments. If its friends ascribe to it flattering qualities ("efficacy," "democracy," "growing stronger," etc.), supporters of the CGT and FO, by contrast, do not attribute it any dominant

characteristic...with the exception of the political sin stressed by FO sympathizers (30 percent).

In other words, CGT and FO repel each other like the poles of a magnet: to the insult "blackleg, tool of the establishment" corresponds the charge "revolutionary, instrument of the PCF," Strictly classic! Their more nuanced opinion of the CFDT signifies, in return, that the latter is many times in the "swing" position, and above all that it is hard to place. From the point of view of marketing, the image of CFDT is unstable.

On the personal applause-i-meter, revenge is taken. Number one among the whole population: Bergeron. Number one among wage-earners and union members: Maire. When one is completely confident in labor unions, one likes Seguy; when one believes in them a little, one prefers Bergeron; when one is reasonably confident, one appreciates Maire! Georges Seguy is never at the top and, even among his own (unpublished chart) he only receives 56 percent of the votes, while Maire receives 65 percent from his "electorate" and Bergeron 81 percent from his: the FO sympathizers feel a powerful attachment for Bergeron the man...Which could, some day, pose succession problems on Avenue du Maine...For CGT supporters, the question is irrelevant: what counts is the struggle, not the star!

To Protect Interests Rather Than To Change Society

The labor union exists to fight for workers' demands. So much the worse for ideology! The chart on the uses of labor unions requires no commentary.

Once again, the cleavage is by political preference, but also by age and condition of the individual respondent: youth and laborers show the greatest need for protection and information. CGT and CFDT sympathizers often share the same priorities, with some not insignificant differences (numbers not reproduced). To struggle against employers? This objective is cited by 34 percent of the CGT supporters, twice as often as by supporters of CFDT (17 percent) or FO (15 percent).

In return, the CFDT partisans insist, more than those of CGT, on the labor union's role in social progress (49 percent versus 43 percent) or in the transformation of society (27 percent versus 21 percent).

The lowering of the age of retirement tops the list of demands, (as an objective proceeding almost from its own nature) ahead of increasing salaries, in fact at the origin of many present disputes. But, according to their union preference, the French establish in this area different priorities: only the CGT supporters are firm in protecting against lay-offs; on the 35-hour week, a CGT-CFDT united front (43 and 41 percent) exists, far ahead of the FO (24 percent); on reduction of the wage disparity, the CFDT and FO sympathizers are found more demanding (40 and 35 percent) than those of the CGT (24 percent). On this fictitious platform of demands, the feelings of CFDT thus veer between the CGT and FO positions, with which it alternately allies itself. This mobility could explain the unstable image noted above.

On recourse to strikes, no one will be surprised to see that the FO partisans are more reserved than CGT supporters, who by a large margin (53 percent) approve the current set-up. A "leftist" minority (10 percent) seems to survive in the CFDT.

The last chart is surely the most eloquent: it is the support for political neutrality. What lessons will Georges Seguy take from this response: more than two-thirds of the CGT supporters (68 percent) want to receive no instructions on voting. This is also the case for 61 percent of the communists and 68 percent of the socialists (numbers not appearing in the chart). Conversely, Andre Bergeron will find his own theses supported: 80 percent of FO supporters are hostile to voting instructions. This number shows that, in refusing to interfere in political debates, it is only acting strictly according to the wishes of its clientele.

A More and More Important Role in Society

French opinion shows no awareness of any supposed decline of influence of the unions: a fact which will comfort the hearts of management staff in this period of uncertainty. Two persons out of three even think the role of labor organizations is even more important than before.

More often than not, according to the evidence, the "social" factor impregnates all the economic and political life of the country, and the media has made labor actions widely known: the French sense this dimly.

In reality, they go further: for one of three wage-earners, tomorrow will be like today. For one out of two, the unions will play a more important role. This belief, it is true, is more solid on the left than on the right, and more strongly felt among CGT supporters (62 percent) than among those of CFDT (55 percent) and FO (43 percent).

This majority opinion is certainly influenced by one's concept of syndicalism. Among the 83 percent of wage-earners who see the role of the unions as continuing or growing are equally found those who see them simply as players in the social game (indeed as regulators of conflict) and those who understand unions as instruments of struggle. Each having its own idea of the labor movement in mind, there are obviously plenty of people believing it will have a growing role.

But the intuitive conviction shown here allows measurement of another national sentiment. When L'EXPANSION wanted to gauge how attached the French are to various institutions (February 1977), 96 percent responded that the termination of social security would be a rather serious or very serious thing...while this opinion was held by only 67 percent regarding unions and by 55 percent regarding political parties.

At bottom, comparison of the two surveys confirms the permanent usefulness, to the French soul, of this great acquisition of democracy, the labor movement.

The two final charts testify to implicit hopes. Should not the union leaders be intimidated, rather than reassured, by the magnitude of those hopes?

The Opinion of Wage-Earners

Do you believe that, for a wage-earner, being a union member is...

| | |
|------------|-----|
| useful | 80% |
| not useful | 13% |

Descriptions which apply to...

| | |
|-------------|-----|
| CGT | |
| politicized | 48% |
| powerful | 35% |
| democratic | 6% |

| | |
|---------------|-----|
| CFDT | |
| politicized | 23% |
| efficacious | 17% |
| revolutionary | 5% |

| | |
|--|-----|
| FO | |
| linked to the government or management | 22% |
| can communicate | 16% |
| powerful | 4% |

For which leader do you have the most sympathy?

| | |
|----------------|-----|
| Edmond Maire | 29% |
| Andre Bergeron | 22% |
| Geroges Seguy | 17% |

What are unions good for?

| | |
|--|-----|
| To defend the demands of workers | 63% |
| To advance social progress | 38% |
| To prepare workers to take over businesses | 5% |

Are you yourself a union member?

| | |
|-----|-----|
| Yes | 33% |
| No | 67% |

In the case of a head-on contest between Francois Mitterand and Valery Giscard d'Estaing in the second round of the next Presidential elections, the unions should:

| | |
|-------------------------------|-----|
| Call for a vote for Mitterand | 17% |
| Call for a vote for Giscard | 5% |
| Give no instructions | 72% |

Do you believe that, for a wage-earner, being a union member is useful or not useful?

Are you yourself a union member?

(response by percent)

| | Useful | Not Useful | Don't Know | Yes | No |
|--|--------|------------|------------|-----|----|
| Wage earners | 80 | 13 | 7 | 33 | 67 |
| General population | 76 | 14 | 10 | 24 | 76 |
| By profession: | | | | | |
| Farmers, farm employees, | 62 | 25 | 13 | 33 | 67 |
| Small businessmen, artisans | 72 | 15 | 13 | 38 | 62 |
| Upper management, liberal professions, industrialists, big businessmen | 88 | 5 | 7 | 49 | 51 |
| Mid-level staff, employees | 76 | 16 | 8 | 27 | 73 |
| Laborers | 83 | 11 | 6 | 36 | 64 |
| Active | 78 | 14 | 8 | 34 | 66 |
| Retired | 75 | 14 | 11 | 12 | 88 |

For the defense of your interests, do you have complete confidence, considerable confidence, or not any confidence in labor union action?

(response by percent)

| | Wage earners | General population | By union preferred (general populace) | | | |
|---------------------|--------------|--------------------|---------------------------------------|------|----|------|
| | | | CGT | CFDT | FO | None |
| Complete confidence | 13 | 11 | 32 | 12 | 10 | 2 |
| | 57 | 49 | | | | |
| Much confidence | 44 | 38 | 48 | 52 | 43 | 23 |
| Not much confidence | 16 | 15 | 9 | 19 | 20 | 16 |
| | 36 | 37 | | | | |
| No confidence | 20 | 22 | 6 | 10 | 20 | 33 |
| No opinion | 7 | 14 | 5 | 7 | 7 | 26 |

Among the following labor organizations, which, in your view, best represent the aspirations of workers today?

(response by percent)

| | CGT | CFDT | FO | None of these | No Opinion |
|--------------------|-----|------|----|---------------|------------|
| Wage earners | 34 | 22 | 16 | 13 | 15 |
| In November 1978 | 35 | 22 | 19 | 9 | 15 |
| General population | 27 | 16 | 19 | 13 | 25 |
| In May 1973 | 30 | 17 | 13 | 6 | 34 |
| In October 1976 | 28 | 10 | 24 | 7 | 25 |
| In November 1978 | 29 | 16 | 24 | 7 | 25 |

By age:

| | | | | | |
|-------------|----|----|----|----|----|
| 18-24 | 37 | 14 | 16 | 10 | 23 |
| 25-34 | 28 | 20 | 14 | 16 | 22 |
| 35-49 | 31 | 19 | 11 | 15 | 24 |
| 50-64 | 18 | 16 | 22 | 13 | 31 |
| 65 and over | 23 | 11 | 31 | 9 | 26 |

Among the following descriptions, which are those that you believe can best be applied to the CGT? to the CFDT? to the FO?

(response by percent)

| | All wage earners | | |
|------------------------------------|------------------|------|----|
| | CGT | CFDT | FO |
| Powerful | 35 | 13 | 4 |
| Apolitical | - | 2 | 13 |
| Can Communicate | 11 | 14 | 16 |
| Efficacious | 18 | 17 | 10 |
| Democratic | 6 | 13 | 8 |
| Irresponsible | 5 | 4 | 5 |
| Losing momentum | 9 | 8 | 14 |
| Revolutionary | 12 | 5 | 4 |
| Adaptable | 6 | 16 | 19 |
| Growing stronger | 8 | 12 | 7 |
| Linked to government or management | 1 | 2 | 22 |
| Politicized | 48 | 23 | 13 |
| Don't know | 16 | 27 | 19 |

The total of percentages is greater than 100, because subjects gave more than one response.

Among the three following union leaders, which is the one you like best?

(response by percent)

| | Seguy | Maire | Bergeron | No Opinion |
|---|-------|-------|----------|---------------|
| All wage-earners | 17 | 29 | 22 | 32 |
| All union members | 23 | 31 | 26 | 20 |
| General population | 15 | 22 | 28 | 35 |
| According to job sector: | | | | |
| Self-employed | 5 | 20 | 38 | 37 |
| Private sector employee | 15 | 28 | 24 | 33 |
| Public sector employee | 20 | 31 | 19 | 30 |
| According to degree of confidence in unions: | | | | |
| Completely confident | 51 | 19 | 19 | 11 |
| Somewhat confident | 16 | 32 | 26 | 26 |
| Not very confident | 6 | 24 | 37 | 33 |
| Not at all confident | 6 | 14 | 32 | 48 |

In your opinion, what are the unions good for?

(response by percent)

| | Wage earners | General Populace | General Population By party preference | | | | No Preference |
|---|-----------------|---------------------|---|----|-----|-----|------------------|
| | | | PC | PS | UDF | RPR | |
| To defend workers' demands | 63 | 59 | 76 | 71 | 56 | 44 | 42 |
| To permit workers to be protected in business | 52 | 47 | 63 | 55 | 45 | 41 | 31 |
| To advance social progress | 38 | 33 | 42 | 44 | 31 | 25 | 17 |
| To inform workers about job conditions | 36 | 32 | 46 | 42 | 24 | 24 | 22 |
| To struggle to transform society | 18 | 16 | 23 | 23 | 10 | 10 | 9 |
| To senselessly divide the workers | 13 | 12 | 4 | 9 | 14 | 19 | 19 |
| To provide candidates at trade elections | 12 | 10 | 11 | 14 | 6 | 11 | 6 |
| To find solutions to the main problems of the country | 10 | 11 | 14 | 13 | 11 | 8 | 7 |
| To give careers to certain individuals | 8 | 8 | 5 | 7 | 9 | 9 | 11 |

(continued)

| | Wage earners | General Populace | General Population By party preference | | | | No Preference |
|--|-----------------|---------------------|---|----|-----|-----|------------------|
| | | | PC | PS | UDF | RPR | |
| To prepare workers to take over direction of businesses | 5 | 5 | 11 | 3 | 2 | 3 | 3 |
| Nothing (sponta- neous response) | 4 | 3 | 3 | 1 | 3 | 7 | 6 |
| Don't know | 3 | 5 | 3 | 4 | 4 | 6 | 9 |

A certain number of demands are being discussed at present. In this list, which two or three do you believe must urgently be met?

| (response by percent) | Wage earners | General Population | November 1978 (general populace) |
|--|-----------------|-----------------------|-------------------------------------|
| Lowering retirement age | 46 | 41 | 45 |
| Increasing salaries | 42 | 36 | 33 |
| Reducing the work-week to 35 hours without cutting wages | 38 | 28 | 26 |
| Improvement of social and communal services (day care centers, hospitals, stadiums, swimming pools) | 36 | 37 | 41 |
| Better protection against lay-offs | 36 | 34 | 33 |
| Reduction of wage inequality | 35 | 30 | 34 |
| Protection of union rights in business | 13 | 14 | 14 |
| Increasing paid leave time | 11 | 8 | 10 |
| Election of management by employees | 2 | 4 | 7 |
| No opinion | 2 | 6 | 6 |

The percentages are greater than 100 because subjects gave multiple responses.

Do you believe that in businesses unions are calling for strikes...

(response by percent)

| | Wage earners | General population | General population by union preference | | | |
|---------------------|-----------------|-----------------------|---|------|----|----------|
| | | | CGT | CFDT | FO | No union |
| ...too often | 47 | 57 | 27 | 46 | 79 | 65 |
| ...not often enough | 6 | 4 | 8 | 10 | - | 2 |
| ...often enough | 35 | 25 | 53 | 34 | 14 | 13 |
| Don't know | 12 | 14 | 12 | 10 | 7 | 20 |

The results must be interpreted carefully in view of the period during which the survey was taken (strikes in the public services)

Suppose that, in the second round of the next presidential elections, in 1981, Francois Mitterand and Valery Giscard d'Estaing met head-on. Do you think the unions should call for votes for...

(response by percent)

| | Mitterand | Giscard | No instructions | No opinion |
|---------------------------------|-----------|---------|--------------------|---------------|
| All wage-earners | 17 | 5 | 72 | 6 |
| All union members | 21 | 6 | 67 | 6 |
| General population | 13 | 6 | 71 | 10 |
| According to union sympathy: | | | | |
| CGT | 24 | 3 | 68 | 5 |
| CFDT | 25 | 2 | 69 | 4 |
| FO | 9 | 8 | 80 | 3 |
| No union | 6 | 6 | 68 | 20 |

By comparison with the situation in France 10 or 20 years ago, would you say that today the role of the unions is more or less important?

(response by percent)

| | Wage earners | General population | By age (general population) | | | | |
|---------------------------------------|-----------------|-----------------------|-----------------------------|-------|-------|-------|-----|
| | | | 18-24 | 24-43 | 35-49 | 50-64 | 65+ |
| More important | 66 | 67 | 65 | 68 | 67 | 64 | 71 |
| Less important | 12 | 8 | 10 | 6 | 10 | 11 | 5 |
| Neither more nor less important | 17 | 16 | 13 | 17 | 17 | 16 | 16 |
| No opinion | 5 | 9 | 12 | 9 | 6 | 9 | 8 |

Do you think that, in the years to come, the unions will have a more important role, a less important role, or about the same role as they have at present?

(response by percent)

| | Wage earners | General population | By party preference (general population) | | | | No preference |
|----------------|-----------------|-----------------------|---|----|-----|-----|------------------|
| | | | PC | PS | UDF | RPR | |
| More important | 50 | 43 | 61 | 50 | 41 | 37 | 29 |
| Less important | 7 | 8 | 3 | 7 | 10 | 9 | 9 |
| About the same | 33 | 33 | 24 | 30 | 37 | 36 | 36 |
| Don't know | 10 | 16 | 12 | 13 | 12 | 18 | 26 |

9516

CS0: 3100

SMALL HYDROELECTRIC POWERPLANTS NOW PERMITTED

Paris LE MONDE in French 27 Dec 79 p 30

[Article by Marc Ambroise-Rendu: "Small Hydroelectric Powerplants Will Multiply Because of Less Strict Regulations"]

[Text] Are thousands of little dams going to transform the still wild torrents and rivers into staircases of water? In any case, the administration is prepared to facilitate the systematic "harnessing" of French water falls. An edict which should soon appear is going to relax the constraints binding those wanting to build a small power plant. For plants under 500 kW only an authorization is needed, but above that, a concession must be obtained.

This very complicated procedure through the intricacies of the ministries can take 5 or 6 years and sufficed to discourage many projects. About 10 concessions at most were granted per year. The edict is also going to raise the limit for simple prefecture authorization to 4,500 kW. It is said that many entrepreneurs are waiting for this liberalization so they can deposit their applications in the prefectures.

Because of its mountainous terrain and the rains which water it, France has available a large hydroelectric potential. It was estimated at 270 billion kWh; more than enough to satisfy total French electricity consumption (220 billion kWh.) In reality only 100 billion kWh could technically be harnessed, and 80 billion kWh can be obtained economically.

EDF [French Electric Company] (to whom the 1946 nationalization law grants a monopoly on distribution only), the Rhone National Company, SNCF [French National Railroads], and a few big businesses have built dams capable at present of supplying 60 billion kWh. Other facilities are under construction, which will harness 5 billion kWh more, and 80 billion kWh will doubtless be reached toward the end of the century.

However, many Alpine and Pyrenean waterfalls of the Central Massif are not suitable for a large construction. According to an EDF study, 4,000 falls

could be harnessed and given a turbine smaller than 2,000 kW. Finished, these sites could supply 8 billion kWh. Only a quarter of them are presently provided with a power station, furnishing a total of 2 billion kWh. ECF does not wish to plunge into the development of this potential.

A Savings of 4 Million Tons of Petroleum

Such a policy is no longer satisfactory today. The petroleum crisis has revitalized interest in small powerplants. It's a matter of the Industry Ministry's making every possible effort. Two billion kWh could easily be added to the electricity supply by favoring the development of a few hundred of the most suitable sites, by private businesses or local communities, thereby saving 4 million tons of petroleum each year.

Such are the calculations which inspired the forthcoming edict. Within Mr Andre Giraud's department it is hoped that companies and even some banks will more willingly invest in electricity production. Nevertheless, the investments are large; from Fr 1,500 to Fr 5,000 per kW installed. However, there are scarcely any economic risks, since the entrepreneurs are certain of selling their production. In fact, ECF is obliged to buy all current produced by private installations not used on the site. The price varies from 8 centimes to 28 centimes per kWh, according to the hour and the season.

Construction of a small power plant could be very attractive to communities. It allows them to regain an energy autonomy lost 150 years ago. It's also an opportunity to promote irrigation and even local tourism. Several projects are under study in Haute Loire, Ardeche, and Lozere [Departments].

Although these little enterprises use hardly any manpower, they pay a professional tax and land taxes. These expenses represent, according to the case, from 2.5 to 15 percent of the business volume of the small private powerplants already in operation; not an insignificant contribution to the mountain collectives' finances.

The Interior Ministry financially aids those municipalities which endeavor to save energy. It is prepared to also help those that are seeking resources in heat from the earth, solar energy, or small dams.

Until now the Counsel of State was opposed to communities' building such facilities with the sole purpose of profiting financially. There always had to be another justification; irrigation or rural improvement. However, it is probable that, in the spring when the proposed bill on "energy saving and heat utilization" comes before the Senate, an amendment will be proposed to free collectives from all constraint. The government will not oppose it.

However, for 20 years the fishing federations have been waging a constant battle against pollution of the rivers. All their efforts are not going to be wasted now, by a series of concrete dams. At their last congress they condemned the small power plant policy, for dams have disadvantages. They

hinder fish migration and the fish ladders provided are often unsuitable. Behind the dikes the waters become warm and sediment is deposited. Then when water is released, the entire bed is polluted by sludge. Finally, the often poorly protected turbines are a death trap for the fish. Mr Jean Rapilly, founder of the National Association for Salmonidae Protection states, "Small powerplants are not ecologically innocuous. They can irreversibly deteriorate a water course."

Canoe and kayak enthusiasts, more and more numerous, and simple hikers along the river banks are not happy either. So the Dordogne's 2,000 canoeists are rising against the project to install 16 small turbines in the old sluices of the Isle river. They point out that this water course, as well as the Vezere, Auvézere, and Dordogne are veritable "natural nautical stadiums." Their opposition is supported by fishermen and by river property owners who fear that their way of life will be altered by concrete constructions, pylons, and turbine noise. The departmental authority from Environment also gave an unfavorable opinion, at the opening of the first public hearing this summer, because of "insufficient impact study."

Some Prohibitions

The best founded worries are about the facilities, generally large, which are necessary to take the river water and precipitate it into an artificial conduit towards the turbine placed several kilometers downstream. Thus over part of its route the waterway is practically dry and lost to all other usage. So, at Thiers (Puy-de-Dôme), the Durolle, already polluted by the cutlery works, is going to be diverted over 5 km to supply a small 6,000 kW plant. The same situation exists on the upper Rhone, where CNR is building a 6,000 kW plant at Breginier-Cordon (Ain), which will divert the river for 30 km.

For 4 years the projected edict prepared by the Industry Ministry has also collided with the objections of environmental services. They have given their final approval only after having been assured that prefectural authorization would have many safeguards. First an impact statement (for less than 500 kW) or an impact study must be presented to support all requests. A public hearing will be necessary. Finally, the company which is seeking authorization to build a small powerplant will agree to respect water regulation. It must insure a minimum flow, install equipment to measure it, provide defenses against erosion, build the construction in a way which does not trap the fish in the turbine, etc. Generally, it will be forbidden to involve the water in other uses.

As a precaution, small powerplant construction will even be totally forbidden on about 20 streams: all those that migrating fish can still go up; the Loire, the Canche, the Normandy rivers, those of the Adour basin, and the Breton streams. It would be absurd to compromise, in the name of the energy crisis, the financial efforts which are also approved to replenish the rivers with salmon.

It's not only the fishermen and ecologists who are worried. Who is going to control such a little powerplant's water regulation? A fish warden cannot be placed behind each electricity producer. And what, if any, sanctions would it incur? The only real deterrent, in case of infraction, is for EDF to stop buying its current. Unfortunately, that is not provided for in the articles.

9374

CSO: 3100

PVDA FAVORS NATIONALIZATION OF BANKS

Amsterdam ELSEVIERS WEEKBLAD in Dutch 1 Dec 79 p 15

[Article by Nico van Grieken]

[Text] The soft conclusion to Van den Doel's plea for a controlled wage policy ("there is no indication of a prisoners' dilemma"), the long waves of Kondratieff's economic theory broken, the detected insanity of the demands of the Labor Party to nationalize banks and basic industries, and the advocated establishment of a state pharmaceutical purchasing office. In short, to the Wiardi Beckman Stichting [Wiardi Beckman foundation], the scientific office of the Labor Party, nothing is too wild. In a new publication called Inventory Economics, the WBS embarks on the drawing up of theory. Goal: control of the economic development. But where there is a lack of insight, the outlook is still obscure.

It is beyond dispute that the prominent politician and economist J. den Uyl has been of great importance to the Wiardi Beckman Stichting. From 1949 to 1962, he was director of the said scientific office of the Labor Party, and, in 1952, he published the report "The Road to Freedom," which was to serve as the basis for the program of the Labor Party.

Later followed from his hand the studies "Socialism and Liberalism," "On the Quality of Existence," "The Narrow Margins of Democracy," and "Work Opportunity Through Solidarity," all of this material assembled in the book published in 1978 "Insight and Outlook."

Also in the years after Den Uyl, the economic and financial section of the Wiardi Beckman Stichting remained heavily occupied, but, a few years ago, this task was cut off, to the great displeasure of socialist and non-socialist economists. It seemed that the WBS had not done any additional thinking on economics.

According to a WBS report, which will be published one of these days, on inventory economics, the socialist think tank has pursued the economic aspects. The bulky publication has been written by WBS coworker Paul Friese and is intended as a contribution to the solution to the most

difficult issue of all times: control of the economic development, which threatens with instability.

Insight into economics guarantees a view of a panorama of solutions which can or cannot be realized. Den Uyl has seen this very well. But where there is a lack of insight, the chance of a view is small. Although the view then provides a nice picture.

The new WBS publication makes hay of many issues. It thereby proves, many a time, to miss the insight and blurs, almost confuses, the view of, for example, the control of the economic development, which, finally, is the remote goal of the socialist movement: not only defending the social acquisitions but also getting control of the forces which threaten these acquisitions. It is, in short, scarcity economics in optimal form, but insight into and real solutions to the present and future serious economic problems are clearly in scarce measure at the WBS.

Now that even a liberal economist, Professor Kuipers of Groningen, has joined the "left-wing" corps of economists, which advocates the introduction of the controlled wage policy, along the lines of the policy pursued in the fifties, WBS coworker Paul Friese eliminates this spark of hope for a forced incomes moderation through democratic means.

Merciless

Friese proceeds mercilessly. On the basis of the so-called prisoners' dilemma (if I am not sure that my neighbor moderates, I will not do it either, although it would be a good thing if I did, editor), Van den Doel, De Galan and Tinberger have, already for a few years, been advocating democratic pressure in order, through a moderation of incomes, to finance collective requirements. "Nevertheless, the unexpressed presupposition underlies the application of the prisoners' dilemma that an agreement exists on the point of departure. This, however, has not been proved," Friese writes.

"It is turning matters upside down to force through this lack of agreement. As long as this lack of agreement exists, there is no prisoners' dilemma at all."

Has the controlled wage policy been rejected with this conclusion? Friese: "The answer is in the affirmative if there is no agreement on the point of departure, and, in the negative, if this is, indeed, the case. But this latter point is only of significance if all income-earners, through a referendum or via elections, express their support for incomes moderation."

"On the basis of such an unequivocal statement, it can be concluded that a prisoners' dilemma exists which can be relieved through a controlled wage policy. But if at least one wage-earner would be thinking differently on this point, then the prisoners' dilemma does not exist, and the need for the controlled wage policy has not been proved. The plea from Van den Doel, De Galan and Tinberger for a controlled wage policy is thus based on their value judgement of the public interest, as long as the opposite has not been proved. The proof will never be provided."

Sympathy

What Friese does want is not indicated in the WBS report. Meddling on in the narrow area of the central point of deliberation between employers, employees and government? One would say that the controlled wage policy, though more practical than theoretically determined, still seems to provide a strong guide for handling the "economic development." But no. Socialism is, and will remain, inconsistent, as the WBS admits.

Equally positive, however with somewhat more of a view of a solution, is Friese's publication on the long economic cycles of Kondratieff. Its long waves of prosperity, recession and depression are broken in the Amsterdam office of the WBS, and Friese adroitly drifts on to a new buoy in the ocean of economic theories, inventory economics. Unfortunately, also this buoy knows of little draught.

Timely

On the basis of the knowledge of development and turnover speed of existing and new inventory, it will then, according to the inventory theory, be possible to avoid the inequality which is the consequence of reduced economic growth. "Unequality then stands for 'forced unemployment'." The influence on a decline in growth, however, requires that timely measures be taken which are based on an insight into the development of growth. From the point of view of control of the economic development, such an insight is necessary. The insight does not exist, forced unemployment will thus remain in existence for still some time, and the studies continue. The crux of the WBS report is a weak spot in Friese's argument.

Democratic socialism, however, is still on the move. And how? Friese says that the socialist view of economic growth is now being revised for the third time (within 35 years). The new scion is called inventory theory. And not without significance in the view of the WBS. "It follows from the inventory theory that nationalization of the basic industries, in order to be able to adapt production better to the needs, is pointless, as one will thereby be putting the horse behind the carriage."

The WBS does not save the rod. Also the principles and the election program of the Labor Party are attacked. "One cannot help asking oneself why the desire is expressed again and again for nationalization of banks and insurance companies. Studies conducted even long before the outbreak of World War II, and by eminent socialists, oppose nationalization. Perhaps such a desire must be explained on the basis of the lack of historical understanding on the part of party members. Even prominent socialists nowadays passionately embrace the idea of nationalization as a goal to be pursued. Arguments, however, still lag behind."

A bitter pill for the proponents of nationalization. But perhaps this pill becomes somewhat gilt through the desire on the part of the WBS to transfer the commercial wholesale trade in the pharmaceutical sector to an organization which is comparable to the state purchasing office.

EXTRACTS FROM NEW GOVERNMENT PROGRAM PUBLISHED

[LD240831 Editorial Report LD] Lisbon DIARIO DE NOTICIAS in Portuguese 12 January 1980 publishes on pages 3 and 6 three unattributed reports outlining various sections of the new Portuguese Government program.

A report entitled "Legal Framework for Referendum and Amendment of Electoral Law," after dealing with the topics mentioned in the headline and plans to reform the internal administration, outlines the sections of the program concerning foreign policy and national defense, as follows:

"The government believes that Portugal needs to pursue a consistent foreign policy, which will proceed from the values of the Portuguese nation and the blueprint for society to be implemented in the domestic sphere for the stances to be adopted in the international sphere,' the program states.

"Stressing that 'foreign policy will be formulated and implemented by the government, since it is the latter's responsibility, according to the provisions of the constitution,' the document lists the following general guiding principles:

"--Portugal's European and Atlantic vocation, as an essential factor of a historical, cultural and geostrategic nature, determining our country's western allegiances; the worldwide dimension of the Portuguese people, as the political and human basis for developing the nation's historical heritage in the world; the upholding of peace, security and international social justice, as an ethical yardstick for relations among peoples, at the service of freedom, democracy and human rights; unity of foreign policy, as an operational rule required for the greater dignity of the state and for consistency and effectiveness in the international activity to be carried out by Portugal, both of which are incompatible with the practicing of any parallel diplomacies.

"The basic options will be, first, 'Portugal's full integration into the EC, as quickly as possible, and the consequent political resolve in the necessary negotiations.'" 'The second basic option, related, however, to the foregoing, is that of loyalty to the Atlantic Alliance,' it adds.

"Strengthening the machinery for defending and promoting the Portuguese language and culture and the teaching of Portuguese abroad is the third basic option of the government, which will seek to insure in due course that Portuguese becomes an official or working language in the international organizations to which Portugal belongs."

"And the program continues: 'The government believes, moreover, that this matter should not be viewed from a purely national viewpoint, since Portuguese is not our country's exclusive property; it is the common heritage of many states and nations. This awareness of the common heritage is a further factor which, together with others, will cause particular attention to be devoted to relations with the other Portuguese-speaking countries.'

"Portugal has the utmost interest in maintaining and intensifying these ties, on the basis of a state-to-state relationship and without interference in the internal affairs of any of the parties. In this field also the government will seek to be, above all, pragmatic, and thus, while supporting the expansion of trade relations and of technical and scientific cooperation with the Portuguese-speaking countries, will not underestimate the importance of the still persisting economic and financial matters in dispute.'

"The document also states that 'the Portuguese nation cannot relinquish its responsibilities toward East Timor, and will struggle through the diplomatic means which it deems most appropriate for the self-determination and human rights of the Timorese people, whose moral and physical suffering deserves our full solidarity.'

"The pursuit of the aims set out,' it also states, 'necessitates the reorganization of our diplomatic service.'

"Within the context of emigration and Portuguese communities, 'a vigorous policy of protection and aid for the emigrants' will be launched, including an effort to 'insure that the legislation and administrative practices of the various countries embody more just and equitable solutions for Portuguese citizens.'

"The measures to be adopted include the setting up of a council of the Portuguese communities, on which the latter will be able to be represented."

National Defense

"The government takes a comprehensive and integrated view of national defense policy. In fact, in its threefold aim of insuring the country's independence, territorial integrity and collective security, this is not confined to its military dimension or aspect, nor does it amount merely to a sectional concern.' These are the government program's first words with respect to national defense.

"The document states that the period of constitutional transition which we are undergoing 'does not allow the government to use the armed forces directly and under its political control as one of the most important instruments of national defense. During this stage, the armed forces possess a relative but appreciable degree of independence.'

"However, once this period is over, 'the country should possess the organizational structures which will make possible the easy restoration of political control over the armed forces to the civilian government democratically

elected by the people. Studying and, as soon as possible, paving the way for these structures therefore represents a predominant concern of the government.'

"In the meantime, bills on the organization of national defense and on military service will be submitted, and the government is prepared to consider the reequipping of the armed forces."

The report concludes by outlining further proposed measures in the field of administrative reform, as well as that of justice.

A report on economic and social policy entitled "Rationalize Public Investment and Encourage Cooperative and Private Investment" begins as follows:

"The government 'will promote, coordinate and rationalize public investment and will unequivocally encourage cooperative and private investment.' The government program states with respect to economic and social policy, which comprises several subdivisions for defining the sectional policies setting the goals to be achieved in this field.

"Prominent among the broadest aims set out in the document is the initial assertion that 'economic policy will place emphasis on boosting investment, which has developed very unfavorably over the last few years, and is likely to have even registered a negative growth rate in 1979,' adding that 'the population's increased purchasing power will make possible an increase in private consumption exceeding that recorded over the last few years.'

"Within this context the program stresses that 'in reviving activity, the aim of containing the rise in prices and limitations imposed by the need to keep the balance of current account deficit and the foreign debt under control will be taken into account,' pointing out next the contribution which joining the EC 'could make to consolidating democracy in Portugal' and to the 'country's economic and social development.'

"The government goes further in its proposals: 'It will also seek to improve the satisfaction of social needs, principally in health, housing, education, transportation and protection of the environment'--fields in which, the document states, 'there are obvious shortcomings and the backwardness in comparison with Europe has been intensified.'

"Reducing inequalities in the distribution of income by combating the causes which have contributed most to their exacerbation over the last few years is another task to which the government is committed, as well as to giving an impetus to regional development by supporting actions by the local authorities. And it is on the basis of these presuppositions that the policies in the various government sectors are determined."

Fiscal and Budgetary Policy

"In the field of fiscal and budgetary policy 'the struggle against tax evasion and fraud' is a matter to which the government 'attributes the

utmost importance,' stressing in particular that 'the phenomenon is, of course, assuming considerable proportions, with unacceptable consequences in the spheres of fairness, economic efficiency and respect for democratic legality.'

"For this reason, taking into account the fact that the studies concerning tax reform are 'still at an early stage,' 'the government will seek an approach to the problem capable of surmounting the stagnation in which the plan finds itself by proposing immediate corrective measures which seem necessary and by speeding up the efforts to introduce the single tax on personal incomes in such a way that it will be possible within the next 2 years.'

"The reduction of public expenditure will be one of the cornerstones of the government's activity in this field--a policy which will also include the subsidies for public enterprises, which will be 'strictly confined to reflecting the usefulness of their services in terms of social benefits.' And accordingly, all these factors will be considered in the draft budget for 1980, to be submitted soon to the assembly of the republic.

"The adjustment of monetary policy to the aims set for overall economic policy is also mentioned in the document presented by the government, which also states that 'the total expansion of credit will be planned in light of the finance requirements of economic expansion and the aim of slowing down the rise in prices, the evolution of the exchange situation being kept under constant observation, so as to guarantee the country's financial stability.' It is also emphasized that 'public enterprises' finance requirements will be planned in such a way as to guarantee their harmonization with the overall expansion of credit, the private sector's finance requirements, budgetary policy with respect to subsidies and endowments for statutory capital and to the program of resorting to foreign capital markets, and not allowing the credit obtained to be diverted to cover current operating deficits.'"

Workers' Purchasing Power

"'Investments and Plan' is a subsection of the program which states that the government 'will promote, coordinate and rationalize public investment and will unequivocally encourage cooperative and private investment.' And in this field the intention is mentioned to exploit 'the expertise of commercial banks in detecting investment opportunities and in medium- and long-term credit, in conjunction with the special credit institutions.'

"In addition, with respect to prices and incomes, 'reducing the rate of inflation and increasing purchasing power are priority aims,' it being stressed that public enterprises, 'by means of budgetary subsidies and price increases, have placed an unjustified burden on the Portuguese people over the last few years.'

"The incomes policy to be adopted will also serve the aim of increasing workers' purchasing power. And because the aim is 'that real incomes should rise in 1980..., collective bargaining should not proceed in such a way as to thwart the government's intention' of containing inflation.

"European integration is also mentioned in detail, since the government regards it as an 'essential factor to be considered in determining economic policy.' And the program comments in this connection that 'our agriculture will be confronted with an entirely new situation,' stressing that 'the potential opened up to it will be enormous if properly exploited.'"

Policies for Agriculture

"Both agriculture and fisheries receive particular attention from the government, and the program defines the aims to be achieved and the respective policies, which include specifically, in the first of the subsections concerned, various forms of aid. In this connection the government cites the actions which it proposes to carry out in the sphere of land use, from 'accelerated continuation of the elucidation' of the agrarian reform law and the definition of the 'statutes governing the various kinds of agricultural enterprise' to encouragement for land consolidation and for cooperative farming, and 'boosting the handing over of state land to all farmers, tenant farmers and agricultural workers,' provided that the last-mentioned wish to settle as farmers for individual, cooperative or rather collective forms of farming.'

The remainder of the report deals with such fields as fisheries, commerce, labor and social security.

A third unattributed report, published on page 6, covers such topics as education, culture, the news media and the environment.

CSO: 3101

TEXT OF PSOE NON-NUCLEARIZATION PROPOSAL GIVEN

Madrid EL PAIS in Spanish 27 Dec 79 p 11

[Text] The socialist parliamentary group in Congress has placed in the Chamber hopper a proposal without the force of law for Spain to contribute with all means available to it to European detente and to succeed in having our country regarded internationally as a "nonnuclearized zone." The resolution also requests that the number and quality of the nuclear missiles in the West not be increased and that the ones in existence in the Soviet Union be dismantled.

The following are the concrete terms of the socialist draft resolution:

1. The Congress of Deputies stresses the firm desire of the Spanish people to contribute, with every means available, to increasing detente in the world, primarily in Europe.
2. The Congress of Deputies urges the government to seek, firmly and constantly, adequate ways to succeed in having Spanish territory regarded internationally as a "nonnuclearized zone."
3. Inasmuch as the progressive accumulation of armament in Europe may affect our country, the Congress of Deputies urges the government to take a stand in favor of preventing an increase in the number and quality of medium-range nuclear missiles in the West and to demand the dismantling of the ones now in existence in the USSR that are endangering Western Europe.
4. In view of the numerical and qualitative level of weapons deployed in North Africa and in view of the fact that this area is becoming more and more internationalized, the Chamber of Deputies urges the government to take urgent, concrete steps aimed at causing a decrease in tension and armament potentials and at promoting a peaceful solution to the large problems in the area.
5. The Congress of Deputies urges the government to contribute to restraining the armament race and to come up with steps and multilateral or bilateral solutions that will intensify dialog between rich and poor countries.

In view of the forthcoming CSCE [Conference on Security and Cooperation in Europe] to be held in Madrid in 1980 and in view of the possibility of the calling of a European conference on disarmament, the Congress of Deputies requests the government to prepare a package of concrete proposals on the reduction of armament, both conventional and nuclear.

The socialists base the need for adopting these resolutions on a series of circumstances that may be summarized as follows:

The "increasing production of weapons of mass destruction, which is reaching overwhelming limits."

Europe and its area of influence "form the geographic places with the greatest concentration of armament and where its quality may provide the greatest power of destruction and devastation in case of a generalized conflict."

The Spanish situation in this area -- they add -- "cannot fail to lead us to reflect on the problem profoundly, especially when our coasts are bathed by seas that have now become large weapon storage places."

Then they stress the calls and events -- final Helsinki document, SALT II agreement -- favoring detente and disarmament.

After pointing out that Spain must not detach itself from these attempts, the socialist document emphasizes the fact that "Spain belongs to the Western context and, as such, must follow very closely the events occurring in its natural area." The document goes on to state: "The fact that there are no direct ties between our country and some of the joint defense alliances emphasizes all the more Spain's nature as a resolute defender of detente and disarmament."

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CATALAN CENTRISTS FORM MORE COHESIVE ORGANIZATION

Madrid EL PAIS in Spanish 23 Dec 79 p 14

[Article by Alfons Quinta and Ramon Sole: "Anton Canellas Elected President of Catalan Centrists in Gerona Congress"]

[Text] Gerona--The prime minister and president of the Democratic Center Union (UCD), Adolfo Suarez, stated yesterday, in the closing meeting of the congress for unification of the Catalan centrist parties, held in Gerona, that "there is no reason whatsoever for believing that Catalonia is ungovernable." With these words, Suarez contradicted the recent statement by the president of the Catalan legislative assembly (Generalidad), Josep Tarradellas, who stated on Friday that "the Autonomy Statutes make Catalonia ungovernable." In the closing congress, Anton Canellas was elected president of the new party, called Catalonia Centrists (CC-UCD), and its most important feature was the absence of the counselor of the Catalan legislative assembly, Juan Jose Folchi, who had submitted his resignation as president of the Barcelona UCD the night before.

Curiously, everything indicates that the party resulting from the merger will be much more homogeneous than what the Catalan UCD, divided between "Catalanists" and "Nationalists" (Espanolistas), had been up to now. The withdrawal of Folchi presupposes complete liquidation of this last-mentioned trend and, consequently, homogenization and ideological, real potentiation of Catalan centrism.

Several UCD deputies consulted last night were unable to confirm or deny that Folchi had also abandoned UCD. Most of the sources were inclined to believe that, if it had not yet occurred, this abandonment was, at least, imminent. They were also unable to specify what the personal trajectory of Folchi and his few followers was going to be. In any case, his political future within Catalan centrism may be regarded as simply liquidated, in view of the composition of the new party's governing bodies.

A number of followers of the small Center Union of Catalonia (UCC) party, which supported Folchi and remained away from the merger congress, chose to withdraw from the UCC directorate and to join the new centrist bloc. That is what happened with the small rank-and-file of UCC in Lerida and

Gerona and, to a smaller extent, in Tarragona. The only one of Folchi's followers in UCD who attended the congress was Pedro Penalva, a prominent "nationalist" and, like Folchi, originally from Manuel Fraga's Democratic Reform. There probably is no explanation for this presence other than mere circumstance.

The political future of Folchi's followers seemed to be very uncertain, although with no possibilities. On the one hand, there might be the possibility of a rapprochement toward anti-Catalanist sectors, desirous of utilizing possible feelings present or brought about among immigrants. But this alternative also seemed to contradict the surprising, new arguments of Folchi's followers who, in definite contrast with their own personal trajectory, accuse the creation of the new party of being controlled excessively by the UCD state organization.

The fact that Folchi's followers hold several posts on the Barcelona city council and that Folchi himself is economic and financial counselor of the Catalan legislative assembly is specifically interesting. UCD members of Parliament have stated explicitly that they should resign from all those posts. They have even stated that Councilman Carlos Guell should give up his apparently incompatible duties as special representative of the state in the Foreign-Trade Zone Consortium and as president of the autonomous port of Barcelona. This topic is extremely important, in view of the fact that one of the most critical and severe financial scandals, to say the least, in democratic Spain showed up in that consortium.

All those UCD "Catalanist" leaders who had open confrontations with Folchi in recent months are in the leadership of the new party, together with Anton Canellas.

The public speech made last night, in the closing of the congress, by Prime Minister Suarez was outstanding in the same line of autonomic affirmation. The prime minister and president of UCD said: "We are autonomist out of conviction and if we have contributed decisively to Catalonia's autonomy, I should like to make it very clear that from the point of view of UCD Catalonia Centrists will be a fully autonomous party."

Suarez also stated that "the formation of a great center political force implies, first of all, opening up the possibility of competing successfully with the parties of the right and of the left in the next Catalan parliamentary elections."

The prime minister described the act as "important" to Catalonia and to all Spain, "not only because all that happens in Catalonia is projected on all of Spain's public activity, but also, and very especially, because the process of change of the structure of the Spanish State, the process of territorial distribution of the state's government authority, are begun irreversibly and effectively." To this he added: "Either autonomy serves the objective of peace and free coexistence among all Spaniards with their own, differentiated historical and social-cultural peculiarities, or there can be no progress on the road to freedom."

DECREASE IN INDUSTRIAL ACTIVITY REPORTED

Madrid ABC in Spanish 12 Dec 79 p 37

[Article: "Further Drop in the Rate of Industrial Activity"]

[Text] Concurring with production indexes drawn up on the basis of responses to a monthly poll among businesses concerning the situation in industry, there appears to be a further deterioration in the rate of activity in the sector. Indeed, both the level of production compared to the previous month and the trend for the next 3 months show a sharp drop in their magnitudes. Furthermore, the slow improvement in demand has tapered off and the level of inventories of finished products has reached the highest point in the last 16 months.

These data seem to confirm the impression that the growth in the industrial sector during the second half year will be even lower than during the first. At the end of the year it seems unlikely that the rate of growth of the gross industrial product (excluding construction) will exceed 1.3 percent.

Even though there was a slight drop in the percentage of "optimistic" businessmen, the level of demand in the industrial sector maintained itself at that witnessed in the earlier month. Accordingly, for 66 months now this variable has been below the level considered normal.

Indirect data available to analyze investment demand continue to indicate the persistent weakness of same. The increase in imports of capital goods in the past few months has to be explained more by the revaluation of the Spanish peseta and the reduction in customs tariffs than by an improvement of domestic demand.

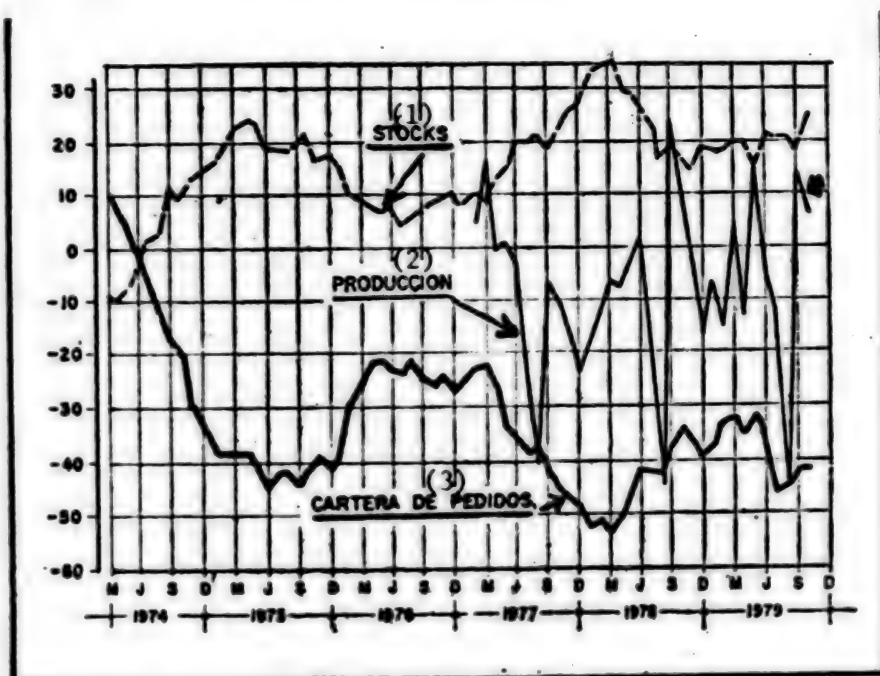
The level of inventories of finished products has witnessed an increase of 6 points compared to the earlier month, which places it--as was noted earlier--at the highest level in the past 16 months.

The estimates of businessmen about the evolution of production in subsequent months have seen a sharp drop. They went from a net balance of minus 3 points in September 1979 to minus 12 points in October 1979. This last

balance is the difference between the 12 percent of businessmen who were confident that a rise in production would occur and the 24 percent who opined that a further drop was in the cards.

The index of activity in the industrial sector saw a drop of 14 points, being located 40 points below the normal level. The index of machinery purchases also dropped, by 34 points.

[Important Economic Indicators 1974-1979]



Key:

1. Inventories
2. Production
3. Demand

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COOPERATION WITH EQUATORIAL GUINEA, PROBLEMS DESCRIBED

Barcelona LA VANGUARDIA in Spanish 20 Dec 79 p 14

[Article by Alberto Miguez: "Spain-Guinea: Cooperation Is Still At the Incipient Stage"]

[Text] Madrid, 19 December 1979.--The repercussions of the Spanish royal couple's trip to Equatorial Guinea have not died down yet but already, in some circles, explanations are being sought regarding the timeliness and benefits of same. Undoubtedly, the trip was risky despite the precautions which the Ministry of Foreign Affairs had taken and the cooperation of other ministries (primarily Economy, Transportation, and Health).

Its results will not be instantaneous nor its benefits of a short-term nature. With the visit of the Spanish King and Queen there has been a basic commitment which has generated hopes--perhaps excessive--among that country's leaders. The problem depends on conscience-raising at the popular level that would convert "operation Guinea" into a priority national question.

The multifaceted cooperation which the various Spanish ministers strive to engineer in the former Spanish colony has a serious defect. Until now it has not been planned in the intermediate and long term. There is a "liaison" committee in which representatives of the Ministries of Foreign Affairs, Finance, Culture, Commerce, Transportation, Industry, Tourism, and Agriculture, and of the Office of the Prime Minister take part. But until now no one has drawn up an overall development plan with the exception of a controversial economic report signed by Professor Velarde. Any unified and coherent measures will call for clear ideas in the first place. The impression is that there is a lack of a total plan and that until now the efforts realized (all of them meritorious, some of them significant) have occurred on a scattered basis.

Spanish cooperation and technical personnel assigned to Equatorial Guinea clash with that country's "objective realities" which are doubtless neither favorable nor easy to change. The administrative machinery, nonexistent in the operational field, is seriously afflicted with corruption, nepotism,

and irresponsibility, from top to bottom. A sizable part of the emergency aid sent by Spain was sold on the black market or exported to neighboring countries (among them Gabon and Cameroon). It is therefore logical that some officials should wish to control the aid that they dispense because otherwise this equatorial bottomless well could wreck the most robust economy. But such a requirement clashes with the ancestral pride of the Equatorial Guineans. It is also logical that the Spanish Government should demand a sense of responsibility from the Equatorial Guinean Government even though it seems difficult for the latter to exercise its powers when it does not even know the exact number of functionaries that its administrative machinery includes. The appointment of the technocrat Jose Luis Graullera as the new Spanish ambassador in Equatorial Guinea could be connected with the urgent and indispensable administrative reform without which there will be neither a state nor a coherent organization of communal life.

Another touchy theme is that of military cooperation. When the coup d'etat was staged in August 1979 Lt Col Teodoro Obiang asked Spain for military advisers so that they might reorganize the Equatorial Guinean army and security forces. It was summer and parliament was not in session so that nothing was done. Obiang ended up asking for assistance from Gabon's President Omar Bongo who--after consulting King Hassan II of Morocco--sent 150 Moroccan "specialists" assigned to his country so that they might organize the protection of the Equatorial Guinean President. Subsequently there were rumors that a contingent of the Spanish Legion would be sent and there was even an interpellation in the parliament in this respect. The government denied the truth of the rumors and defeated the challenge. But the question remains unresolved.

During the visit of the Spanish royal couple the question of Spain's possible military cooperation was raised again. The subject has sufficient gravity to warrant even a discussion in parliament. The Obiang regime continues to be frail and if Spain wishes to make it more secure it has to consider seriously the problem of possible assistance in this field.

Connected with the unpublicized Spanish military cooperation is undoubtedly the up to now unmentioned presence of two Spanish warships in waters close to the island and continental territory of Equatorial Guinea. Indeed, a vessel of the Spanish navy unloaded equipment and food in the port of Luba (precisely where the Soviet fishing base is located). Obiang has asked the Spanish ambassador, Mr Andrada, that no warship of the Spanish navy approach the coasts of Equatorial Guinea while the royal couple was there. The request was on the point of causing the suspension of the Spanish King and Queen's trip. At the end, Obiang saw reason and agreed that the freighter should cast anchor in Luba.

In contrast, the presence in waters close to Bata of a Spanish corvette with 150 infantrymen on board while the royal couple was visiting that city on the African mainland was not the subject of consultation or discussion.

The corvette sailed between the coasts of Cameroon and Equatorial Guinea for nearly a week without Obiang or his aides appearing to be aware of it. Perhaps in order to obviate such a discovery senior officials held a series of talks with some newsmen to convince them of the "untimeliness" of such a report. So far these measures have had some success. But the problem--an urgent one--of Spanish-Equatorial Guinean military cooperation continues to be up in the air.

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SUGAR PRODUCTION REPORTEDLY DOWN FOR 1979-1980

Madrid EL PAIS in Spanish 18 Dec 79 p 55

[Article by Antonio Nunez: "The 1979-1980 Sugar Season Will See A Deficit of 350,000 Tons"]

[Text] Leon.--The 1979-1980 sugar season will see a deficit of 350,000 tons, according to the working document drawn up by the National Confederation of Beet Growers for its negotiation with FORPPA [Fund for the Control and Regulation of Prices and Products] for the coming harvests and its adjustment to Spain's [projected] entry into the Common Market.

The cited document, which puts 1979 beet and sugar cane production at 5.3 million tons, observes that the national consumption of sugar stands at around 1.05 million tons with a tendency to increase in the next few years while the production of sugar mills during the present season will be only 700,000 tons. The deficit will be covered from stocks accumulated during the last few years--740,000 tons--which will be reduced practically by half as a "strategic reserve" to meet possible fluctuations of the market.

According to the farmers the production goals set by the government since 1977, designed to absorb the accumulated stocks of sugar, have provoked a grave recession in the sector which was reflected in reductions of up to 40 percent in the area grown during 1979 and of 50 percent with reference to the 1976-1977 season. All this, according to the same sources, will lead to a shortage of supplies on the domestic market and to further imports of sugar within a period of no more than 2 years if the government does not change its existing policy concerning the issue.

The farmers recall in their report that both the production quotas of the present season and the area slated for cultivation are similar to those of 1974, the year when the administration found itself obliged to sign several import agreements concerning several years with Cuba--470,000 tons in 1974 and 346,000 tons in 1975--at much higher prices than those of the domestic market. This later gave rise to a supply problem when a series of production-stimulating measures were decreed among which was a 100 percent hike in the prices paid to farmers. The number of the latter is now

81,228 divided among 2,119 localities in the Duero, Ebro, and Andalusia valleys.

Per capita annual sugar consumption has increased by 9 percent after a leveling off which lasted a little more than 3 years, rising from 27 to 29 kilograms in 1979, according to figures of the General Association of Sugar Producers.

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BRIEFS

UGT 'RADICALS' OUTFLANK MODERATES--The special congress that the General Union of Workers [UGT] held last weekend in Madrid has entailed a great victory of this labor organization's critical line or, what amounts to the same thing, a victory of the industry federations over the party's labor union apparatus. Up to now, the industry federations -- which is where the rank-and-file is, where contracts are negotiated, where strikes are called and, finally, where the whole weight of the labor union is borne -- did not see one peseta -- the territorial unions managed all the money -- and, in addition, they had no vote in confederation congresses. If we had to give names with this, we should have to say that Manuel Garnacho has won over Jose Maria Zufiaur. [Text] [Madrid ACTUALIDAD ECONOMICA in Spanish 22-28 Dec 79 p 7] 10042

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